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Nation's BUSINESS

JUNE 1949

PERIODICAL ROOM
GENERAL LIBRARY
UNIV. OF MICH.

GENERAL LIBRARY
UNIVERSITY OF MICHIGAN
ANN ARBOR MICH

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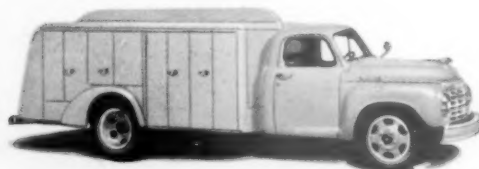
1½-ton shown with 12-foot body—2-ton model also available



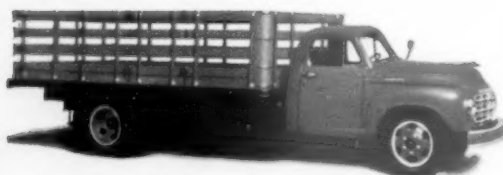
¾-ton shown with 8-foot platform stake—
1-ton model also available



1-ton shown with 9-foot closed van body—
1½-ton model also available



1½-ton shown with bottler's body—
2-ton model also available



2-ton shown with 14-foot platform stake—
1½-ton model also available

You can't help looking twice at a handsome Studebaker truck

**It's America's stand-out new truck
in low-cost performance, too!**

A CALIFORNIA man credits his Studebaker '49er truck with a good 50 per cent saving in maintenance time.

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truck everywhere we make a delivery. Everyone thinks it's the best looking truck they've seen."

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It has an exclusive new kind of roomy, weather-tight, wide-vision cab—a low cab floor that saves strenuous climbing—wide doors with "hold-open" stops—foot-controlled "air-scoop" ventilation—cab steps are weather-protected, enclosed inside the doors.



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are ¾-ton and 1-ton 8-ft. pick-ups

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Nation's Business



PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 37

JUNE, 1949

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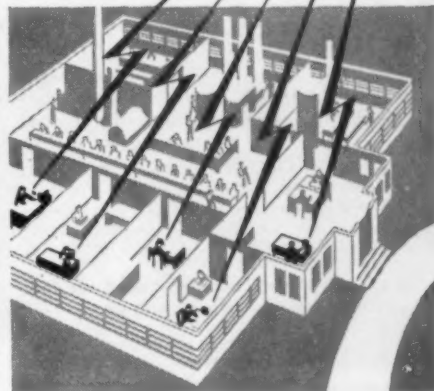
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About Our AUTHORS

A MONTH or so before Secretary of Agriculture Charles F. Brannan presented his "bold" new farm program to Congress last April, we asked **KENNETH L. DIXON** to take a swing through the Middle West and report on what the farmer wants from Washington. A trip like this was right down Dixon's alley because he was born and reared on an Illinois farm. However, he elected journalism instead of farming as a career and set out to become a newspaperman. Just recently he switched from reporting to free-lancing and when last heard from was headed for Mexico City to write a book.

ABOUT ten years ago **HARDIE GRAMATKY**, who did the art work for **PAT FRANK'S** short story, "Hidden Profit," went to New York City to be an illustrator.



Gramatky

"I hit the town cold," he recalls, "not knowing a soul. Nevertheless, I got a job covering the Mississippi flood for a business magazine. In Paducah, Ky., I stood in water up to my waist painting pictures of rescue work, using a floating barrel for a drawing board. When the magazine realized I could take that, they sent me in 30 below weather to do a copper mine near Hudson Bay."

After that Gramatky settled down in a studio on the East River where, inspired by the hustle and bustle on the river below, he wrote and illustrated, "Little Toot." Walt Disney bought the story and released it as the major feature in his "Melody Time" last year.

Like Frank, who recently turned out a best-seller, "An Affair of State," Gramatky is also the author of a new book, "Creeper's

Jeep." It's a children's story about a very characterful jeep on a farm who saves all the animals from a burning barn and reinstates the farmer's son to his proper respect.

EVER since "Trends" first made its appearance on these pages back in February, 1946, **FELIX MORLEY** has



BACHRACH

Morley

made skilful use of his training as a reporter, philosopher and research worker in preparing his monthly diagnosis of the "State of the Nation." Morley, who has won academic honors galore—including a Pulitzer Prize for editorial writing—has been editor of the Washington Post, president of Haverford College, and a staff member of Brookings Institution. Though he is now editor of "Human Events," a weekly analysis of world affairs, he has managed to find time to get out a book, "The Power of the People," which will be published this month.

FOR many years **HARLAND MANCHESTER** has specialized in writing about the fields of science and technology. In fact, his articles about radio, radar, television and kindred subjects span the days since De Forest's first audion tube ushered in the air-wave era, down to the latest devices for the wireless transmission of sound and images. For the past 12 years Manchester, a former newspaperman, graduate of Dartmouth and an ex-Marine, has devoted most of his time to analyzing inventions and discoveries to see how they affect everyday living.

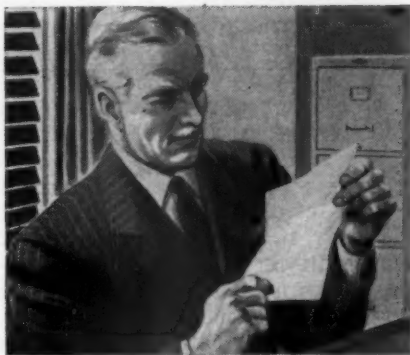
Manchester is a New Yorker who spends summers on his farm in Vermont, where he keeps a rifle beside his typewriter and shoots woodchucks between paragraphs.

**"So your
INVENTORY COSTS
are too high..."**

**...Here's how
WE got out
from under!...**



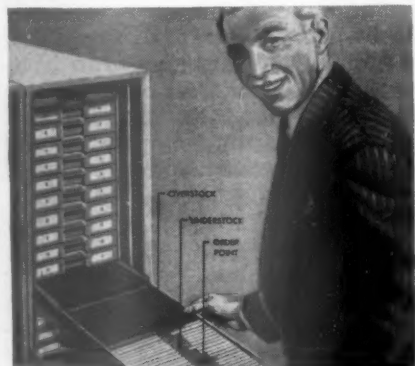
"THE PROBLEM OF EXCESS STOCKS was giving us plenty of headaches. No wonder! In dollars, our inventories had swelled to 245% over our best pre-war year...yet our sales had increased scarcely half that much during the same time.



"DRASTIC ACTION NEEDED! But...when we cut back our buying commitments we soon found our stocks running dangerously low on many popular items. Puzzle: How to maintain *balanced* stocks...not too much, not too little of each item.



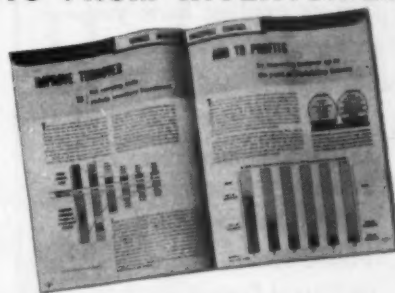
"ONLY SOLUTION—A NEW SYSTEM. 3 "Musts" were apparent (1) The system would have to simplify our inventory data (2) Warn us unfailingly of threatened understocks or overstocks (3) Assure proper ratios among stock items.



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Buyers of billions

A GROUP of men whose yearly purchases run up well into the billions meets this month in convention at Chicago. While women are given the greatest percentage when it comes to spending the family budget, these are the men of industry who do the spending for industrial budgets.

The group is the National Association of Purchasing Agents and it has a membership of 12,000 which blankets all segments of industry and at the same time is notable on several important counts. The Association deals with no political or legislative matters, its convention sessions are jam-packed with practical matters and through the year its business survey and commodity committees supply unbiased information upon business developments and trends.

If these are troublous times for business, industry at least can feel assured that in the vital field of purchasing there is an organization such as this to provide facts as the sound basis of policy. "Operation Hunch" is no longer popular strategy among the men who spend billions.

Up from the back

TO COLLEGE men who may be considering the hotel business as a career, John L. Hennessy, president of the Childs Company, restaurant chain, and former board chairman of the Hotels Statler Co., advises starting in the "back of the house." Here they will learn the food and beverage department, which is so essential to successful operation.

Hennessy, who began as a freight elevator operator at \$5 a week, reports that too many college men prefer the "front of the house" only to discover later on in executive positions that they are shy on knowledge of the catering end. That deficiency can turn hotel ink from black to red.

As an orchid for his business, Hennessy says he knows of no other where 95 per cent of the leaders have come up from the ranks.

Retail engineering

THE ENGINEERING approach to retail distribution is no longer something which creeps occasionally into trade discussions. It has become a live topic since the opening of the bulk service building of the F. & R. Lazarus Co., a department store in Columbus, Ohio. This warehouse was built by the Austin Company from designs formulated by its own engineers in association with the store management.

Fred Lazarus, Jr., president of Federated Department Stores, Inc., parent organization of the Columbus store, believes the \$1,500,000 service building is certain to have "a profound influence on our entire retail economy." Its purpose is to handle millions of dollars worth of goods annually "without moving anything an inch more than necessary." Over a test period of two months, service and handling costs were reduced by 25 per cent.

The building has no elevators or other bottlenecks and uses a new principle of servicing furniture, appliances and other bulk items on arrival, rather than at the time of sale. Merchandise can be shipped to customers within hours instead of days.

Freedom of the press

FOR NATIONS to understand each other, it is obvious that there must be agreement upon the definitions of certain essential things. Democracy and freedom, for instance, are two words that mean entirely different things in this country and in Soviet Russia.

Take freedom of the press. The USSR information bulletin issued by the Soviet Embassy explains that "by exerting systematic in-

fluence on readers, the press inculcates in them definite views, habits and can even affect their character." This influence or pressure "determines the Soviet conception of freedom of the press."

Webster has several definitions for "press" but the one which applies here, it would seem, is a "machine by which any substance is pressed or stamped." The substance in this case is the reader, who is not given the facts on which to formulate his opinions but receives his opinions ready-made. The jaws of the press squeeze him into the desired shape and there you are—freedom of the press.

Budget progress

THE NYLON hosiery and white shirt shortages passed into history some time ago. These and other war-created scarcities have disappeared and prices have shown considerable reduction in the meantime. This means that what the average family has to pay for clothing comes to a smaller sum.

Even last year, however, when prices had not shown much decline from the rise that followed the ending of OPA, there was an excellent ratio for "real purchasing power" on the budget item of clothing, according to an analysis made by the National Industrial Conference Board. Thus, clothing the average family cost only one-half the hours of work in 1948 that it did in 1914.

The reason for this margin was that while there was a threefold rise in clothing prices over the period of 34 years, there was a sixfold increase in wages over the hourly rate of 25 cents in 1914. It required nine hours of work a week to pay the family clothing bills in 1914 and only five hours last year.

The average family is smaller today (3.61 as against 4.88) and the family wardrobe has more variety. Incidentally, there has been a change in the proportion of expenditures for Mr. and Mrs.

Back in 1914 he spent a little more than half again the amount she spent. Now she spends a third again more than he does.

Older men at the helm

CALL it the increasing life span or theorize about eight years minus competition, but management men are older men. This is what a survey made by Booz, Allen & Hamilton, management consultants, discovered.

The average age of all officers excluding board chairmen in a



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Our diesels take to the water, too!

YOU are looking at New York Harbor from the upper deck of the "Paterson", newest of Erie's fleet of diesel-powered tugs. Seven of these modern boats cleave the busy waters of the harbor, toting lighters with Erie export shipments to some squat-funnel freighter bound for Bombay, London, Madagascar or, perhaps Rio. Often as not, they are just as busy transferring shipments from abroad to the Erie's modern dockside facilities. There shipments are sorted and loaded on cars for destinations along the Erie's two thousand miles of track for distribution across the nation.

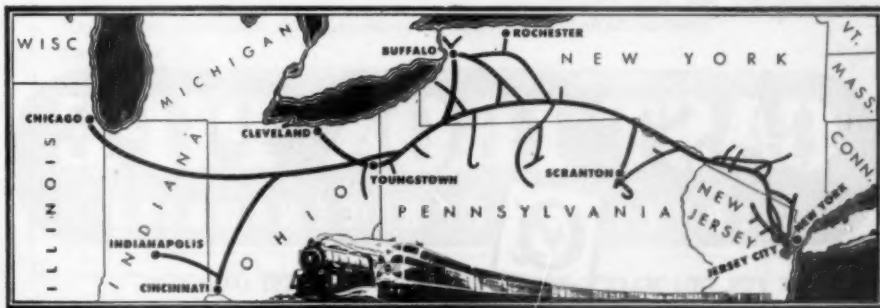
its marine fleet, plus steady additions to its roster of diesel locomotives, is a good example of Erie's constant improvements in dependable transportation.

Whatever works best, safest and most economically is Erie's standard of service for both passengers and freight.

Erie Railroad

The increasing use of diesel power for

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hot water—cheapest luxury there is

Ever try to shave or wash dishes without hot water? Then's when you'll agree it's a luxury although an inexpensive one.

Thanks to the efficiency of your public water supply system—and cast iron pipe as well—water costs the average family about a dime a ton, delivered right to the faucets through many miles of underground distribution mains.

The low cost of water service is largely due to the long life of cast iron pipe. For these three reasons: (1) distribution mains represent more than half of the original cost of a water supply system; (2) over 95% of America's water distribution mains are built with cast iron pipe; (3) periodic replacements of mains, necessary with shorter-lived pipe, are avoided by the use of long-lived cast iron pipe which thus contributes greatly to the low cost of water by saving millions of dollars in water works operation. Cast Iron Pipe Research Association, T. F. Wolfe, Engineer, 122 S. Michigan Ave., Chicago 3, Ill.

96% OF ALL 6-INCH AND LARGER CAST IRON WATER MAINS EVER LAID IN 25 REPRESENTATIVE CITIES ARE STILL IN SERVICE.

Based on the findings of a survey conducted by leading water works engineers.

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representative list of 65 companies was 47 years in 1929 and is now 54 years. The average age of company presidents was 53 years and is now 59 years. Junior officers, who are normally regarded as replacements, were found to be not much younger than their superiors.

There might be two guesses made about these findings. One would be that the progress of management education has reduced the turnover in high positions, and the second might be that when hard competition returns the turnover rate may catch up with some oldsters.

Latin possibilities

ONE of the big troubles before the war could be traced to the desire of nations to be self-contained. The idea was to try to grow and produce everything the country needed. To promote this purpose trade barriers were raised against imports and loans were used to start domestic industries.

During the war, shortages of this and that led to the subsidizing of industries, particularly in Latin America. For a while there was great prosperity as a result. Now these war-created industries are up against world competition and they languish.

There is still the great nationalistic urge to produce everything that is needed within a country. But there is lack of capital and also lack of the essential know-how. Where Latin America is concerned, expert counsel advises developing natural resources rather than trying to rush into an industrial age.

Thus, Robert P. Russell, vice president of Nelson A. Rockefeller's International Basic Economy Corporation, believes that Latin America could become a major source of many foods and raw materials through use of modern technology if it obtains educational and political support. Only small areas are under cultivation and the low yields are due to primitive methods. Application of modern farming, he explains, has raised the yield of corn from 16 to 50 bushels per acre. One country importing rice has been shown that upland rice can be produced at the rate of eight barrels per acre.

I. Q. in industry

IT IS a little surprising to learn that industry is moving very slowly in adopting aptitude and intelligence tests. The radio has ballyhooed them and the armed

services put its millions to counting and arranging blocks.

A survey made by the Associated Industries of Cleveland, however, revealed that only 29 companies out of 363 were checking on aptitudes and merely 38 required job applicants to take intelligence tests. Since the differences between getting a qualified and an unqualified worker is a dollars-and-cents proposition, the question is once more raised whether industry is remiss in what now goes by the name of "human engineering."

Certainly one question answered in the survey ought to register with management. The query was: "Do you think personnel testing has improved employee selection and placement?" Some 18 companies answered, "Yes," and only one was undecided.

Bending the twigs

OPERATING on the formula that "as the twig is bent, the tree is inclined," business-sponsored teaching aids represent an expenditure which approximates the combined school budgets each year of six of our smaller states. This is the estimate cited by Dr. Thomas J. Sinclair, who heads the School and College Service Department of the Association of American Railroads and who has just written a book on this subject.

On a point system, the 88 business organizations which supplied data for the study listed the following at the top of preferred teaching aids: Booklets 242; leaflets, 185; charts, 161; motion pictures, 152; and speakers, 150.

Incentive system

OUR SYSTEM of economy was once called the profit system after Adam Smith detailed its operations. More recently we have passed up that title and started calling it the free enterprise system because, apparently, there was something less acceptable about profits to the popular mind. Higher living standards were not pictured as profits. Profit was just extra money squeezed out of what ought to be in fatter pay envelopes.

But then again the new title of free enterprise cannot impress too much the man who feels he is harnessed to a job. It is merely an abstraction which has something to do with having a business and no boss.

So possibly a new title ought to be found for this economy and maybe "the incentive system"



FREE booklet helps employers encourage honesty of employees

In a booklet entitled "Are You Your Brother's Keeper?", Lawrence W. Miles, C.P.A., points out:

Many employers have come to realize that in addition to affording proper working conditions, reasonable hours, adequate wages and opportunities for advancement, they also have a definite moral obligation to do everything within reason to prevent their employees from succumbing to the temptation of dishonesty.

Mr. Miles then examines the whole problem of employee dishonesty and shows how employers may help prevent it. These subject headings give some idea of the scope of the work:

Checking References	Control of Merchandise
Safeguarding Receipts	Inventory and Stocktaking
Controlling Disbursements	Payroll Precautions
Check Cashing	Independent Audits
Test Checks and Receipts	Fidelity Bond Protection

In covering these and other subjects, Mr. Miles gives authoritative and practical suggestions to help employers safeguard the inherent honesty of their employees. For, as Mr. Miles says in his closing paragraph:

In the belief that many employers are deeply conscious of their responsibilities to their employees, the suggestions here advanced are offered with the hope that some may be aided in better meeting these responsibilities and in answering the question "Am I my brother's keeper?"—"I am!"

This valuable booklet is published by the Hartford as a service to American business. A copy will be sent without obligation to any employer requesting it.

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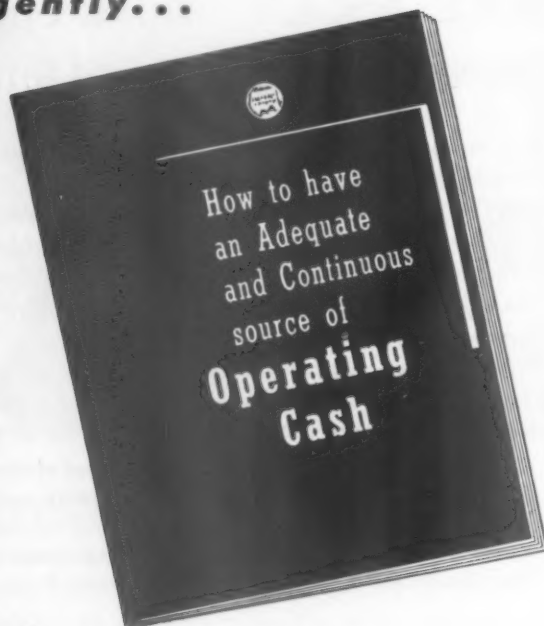
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would be a better one. The worker on a mass-production line will scoff at laboring for any profit and he is quite sure that there is no free enterprise about his humble task but he may be offered incentives and accept them as a basic principle.

Gwilym A. Price, president of Westinghouse Electric, recently drew a contrast between the present state of Belgium and Great Britain. Recovery came to Belgium well before the Marshall plan got under way. With its first postwar credits, Belgium bought consumer goods instead of capital goods in order to give its people something to work for. Last January her exports more than paid for her imports—Britain's goal for 1953.

Unraveling the customs

TO PROMOTE the two-way trade which, it is agreed, is essential for economic health throughout the world, some helpful things are about to be done in behalf of importers. These were outlined recently by Secretary of the Treasury Snyder before the National Council of American Importers.

The business men who bring in foreign merchandise have complained for years that the administrative provisions of the Tariff Act, rather than tariff rates, constituted the real stumbling blocks to freer trade. The Treasury Department finally called in a private management firm in the fall of 1947 to study customs operations and recommend improvements.

Some 179 major proposals resulted and 40 have already been put into effect, Secretary Snyder reported. Sixty more have been approved and others have been readied. Elimination of the use of foreign value as a basis of tariff valuation is included. Importers hailed this as a noteworthy step.

Feeding the chickens

CHALK up another score for this push-button business! Paul Lavitt, a farmer in East Longmeadow, Mass., has developed an automatic poultry feeder which he described at a General Electric forum.

An electrically operated conveyor supplies feed from a storage bin and provides one and a half minutes of eating time every half hour. The conveyor is controlled by a time clock. With a double supply of feed in the storage bin on Saturday mornings, the farmer can forget his chicks for the week-end.

But Young America will ask if this sort of thing keeps up, "Where is pin money coming from?"

MANAGEMENT'S *Washington* LETTER

► DIP'S GOING DEEPER.

After slow start, business downswing gains momentum, promises sharper drop-off in coming months.

That means fewer orders, more production cutbacks, more unemployment, more price cuts.

Outlook results from greater concentration of important industries running into buyers' markets, curtailment and readjustment problems, at same time.

During recession's early months these adjustments were scattered, came one at a time, had little effect on over-all economy.

But now metals, petroleum, chemicals, rayon, paper, coal hit buyers' markets together.

For planning purposes you might figure industrial production in last quarter will be 20 to 25 per cent below present level—with year's average off 10, 15 per cent.

It's best to have plans ready, watch developments, anticipate their effect on your business.

If things change, present trend doesn't develop, you're out nothing.

► DON'T MISINTERPRET rising savings.

Liquid assets in consumers' hands often are cited as evidence of purchasing power.

They are. But so far this year rising savings have been accompanied by slowing down of sales of all types of consumer durable goods with a single exception—automobiles.

So savings rise indicates unwillingness to buy, even though ability is there.

Consumers still buy about same amount of food, pay about same rent, make their clothing last just a little longer.

But purchase of hard goods can wait. There's no urgency in need for new washing machine, refrigerator, furniture.

So consumer unwillingness shows up in hard-goods lines.

If you do business with other businesses substitute "business buyers" for "consumers" and situation is the same.

This means less demand for steel, electrical components, coal, railroad cars. Which in turn means developing recession.

► WELL, THERE'S ONE thing about this

recession: It won't go far—the Government won't let it.

That's being said often these days. But is it true?

Let's take a look at what the Government has done so far:

It has supported farm prices—and farm prices have suffered one of the biggest drops of all.

It has lowered restrictions on installment sales—and sales of heavy appliances continue to go down.

It has lowered stock margin from 75 to 50 per cent to create easier flow of business expansion funds—but a large part of the expansion program is completed.

It has lowered reserve requirements to give banks more money to lend—with results not yet known.

Government spending is at record high peacetime level, at home and abroad.

Public works and utilities building are a third higher than year ago, running at record level.

About the only other potent force Government can bring to bear is deficit financing.

That would put money into circulation. It also would create debt.

Note: Government's antideflation steps show Administration is disturbed by trends, doing what it can to turn them.

► BLACK MARKET develops—in reverse.

Under the counter price cuts appear in various forms.

Because of sellers' natural reluctance to see prices slip, many keep the old price tags—but deal at less.

Commonest form of hidden price cut is trade-in. You'll see spread of these in newspaper ads.

In all but very few makes of automobiles, reverse black market shows up in trade-in allowances \$100 or more higher than dealer expects to get for used car.

And if you want an air conditioner in another month or so, don't let the price tag stop you. Make an offer.

► PAYROLL COSTS slide in scattered spots.

If you have a case of lowering costs or shutting up shop—and can convince your employees that's the situation—they may accept an adjustment.

It has happened. In dress industry

MANAGEMENT'S *Washington* LETTER

workers are paid according to price class of clothing they manufacture.

When market for higher-priced dresses dropped off sharply, a few manufacturers went out of business, re-entered it later in lower-priced lines—with lower labor costs.

Unions reckoned pay loss during these shutdowns, cooperated with some other makers in downgrading costs, products in lower price markets.

In lead, zinc mining areas miners employed by some marginal producers have taken two pay cuts—about 20 per cent—to keep mines open. Several unionized mines have closed.

Much sharper labor-cost cuts may be found in building trades.

Here's experience of a Washington builder:

Year ago bricklayers (nonunion) were paid \$32 a day, laid 475 to 550 bricks.

Today they are paid \$24, lay from 700 to 900 bricks daily.

That's a wage drop of 50 per cent—from 6 cents per brick to 3.

► **UNIONS MAY BE BLAMED** for some unemployment, perhaps some bankruptcies, in coming months.

Operators of unionized industries, trying to chop costs to meet highly competitive markets, usually find one of their large cost factors—labor—frozen.

Plant whose goods are priced out of the market soon produces unemployment, not goods.

Big unions have competent economists, see this coming. But so far they propose to meet setback by spreading the work.

This would distribute pay among more members, but it wouldn't cut costs.

You'll be hearing less from labor's economists than you did when their news was good.

They're coming up now with information union leaders can't use.

Downward moving economy brings union leaders tough problems.

► **IT TAKES TIME**, money to recapture lost markets.

That's a point to keep in mind when you're cutting expenses.

Like prices that overrun their ups and downs beyond point where they finally settle, management sometimes overruns its job of cutting expenditures.

Reducing salesmen's travel accounts, or advertising, may cost more in lost business than it saves in cash.

Take a tip from the big boys: Check by Association of National Advertisers shows that 88 per cent of companies with annual consumer goods sales of \$50,000, or more plan no reduction in advertising expenditures this year.

► **PRICE CUTS MEAN** oversupply.

They also mean shutdowns for high-cost producers, loss of profits, jobs.

Marginal lead, zinc mines show quick switch from heavy demand to oversupply.

Less than three months ago Missouri-Kansas mines got \$290 a ton for lead, sold all they could dig.

Last month price had dropped \$99 a ton, and there were few takers.

Some mines closed. Communities reported as many as a third of their miners out of work.

Zinc followed similar pattern, with price dip of about 25 per cent.

► **WILL IT SAVE** money?

If your product will save it for department stores, you have a lot of good prospects.

Department stores watch dropping sales volume, expect more of same.

So they're out to cut expenses.

Automatic typewriters, better merchandise marking systems, cheaper warehousing, bookkeeping systems, all are being explored by store executives.

Department stores' expenses run about 30 per cent of sales. That's about all they have to work on, since the rest of the sales dollar is merchandise cost and profit.

About half the expense item is labor. So labor-saving devices, methods, get quick interest.

Stores already cut extra services that blossomed out after war.

This point worries retailers: Lagging sales are held up to current levels by promotional goods—merchandise bought at special price, featured in ads.

So now buyers look for little else. They find manufacturers willing to cooperate, make goods to specifications with price uppermost in mind.

Standard lines move slowly.

► **ARE YOU GETTING** your share of retail sales dollars?

Commerce Department shows this distribution of retail sales in last half, 1948:

Durable goods stores, 28.4 per cent. Of these sales auto parts, accessory dealers got half.

Building materials accounted for 5.3;

farm implements, 1.3; hardware, 1.8.

Appliances and radios took 2.1 while furniture got 3, jewelry, .9.

Nondurable goods accounted for the other 71.6 per cent of sales.

Men's clothing took 1.8, while women's clothing got nearly twice as much—3.5. Other apparel accounted for 1.1, and shoes, 1.2.

Drugstores took 2.8. Eating, drinking places gathered 9.9—a decline from a 14.1 high in 1945.

Food group accounted for 24.3 of retail sales, filling stations, 4.8.

Department store sales were 7.8 of total sales—about half the auto sales.

Mail orders accounted for 1.; general stores, 1.5; dry goods, 1.2; variety, 1.7. Miscellaneous was 7.8 and liquor, 1.4—ahead of jewelry, shoes, dry goods.

► **DESPITE LARGE** first quarter earnings business profits will slide off in 1949.

Which brings possibility of deficit financing by Government.

In fiscal 1948, Government collected \$10,174,409,834 in direct taxes on corporations.

Estimate for year ending this month is \$11,709,000,000; for year starting July 1, \$12,252,000,000.

But now trend is running counter to expectation on which rise was based.

Corporations pay taxes on profits. Company that earned \$8 a share last year paid taxes on that rate. If its earnings equal \$4 a share this year its tax liability is cut in half.

If it loses \$1 it carries loss back to previous year—and gets a check from the Government.

► **GIVE BRANNAN** farm plan one chance in four of being enacted into law.

Most farmers oppose it. Congressmen don't like its unknown cost factors.

Under Brannan plan farm produce would be allowed to seek its natural price level. Government would give farmers difference between natural price and "fair price."

But it would also give Government right to tell farmers what to plant, and how much. That's part growers don't like. So Brannan program probably will die in committee.

Congress probably will make a last-minute change in Aiken plan, scheduled to take effect next year.

Change will make it conform more closely with present price-support law, eliminate discretionary power to cut payments.

► **WHO GETS THE MONEY** in U. S. farm price-support program?

MANAGEMENT'S *Washington* LETTER

Present and proposed plans are based on production.

Census figures show that 29 per cent of U. S. farms, inhabited by 34 per cent of the nation's farm population, produce 80 per cent of the production value.

So 80 per cent of the price support payments go to a third of the farm population.

► **FEDERAL GOVERNMENT** employment turnover is 500,000 a year.

Veterans Administration employs 15,432 persons to handle 7,000,000 insurance policies—average work load of 450 policies per employee. Compares with 1,762 policies per employee in private insurance industry.

Paperwork—labor and materials—costs \$10 on each government purchase. Half the millions of purchase orders issued each year are for less than \$10 worth of goods.

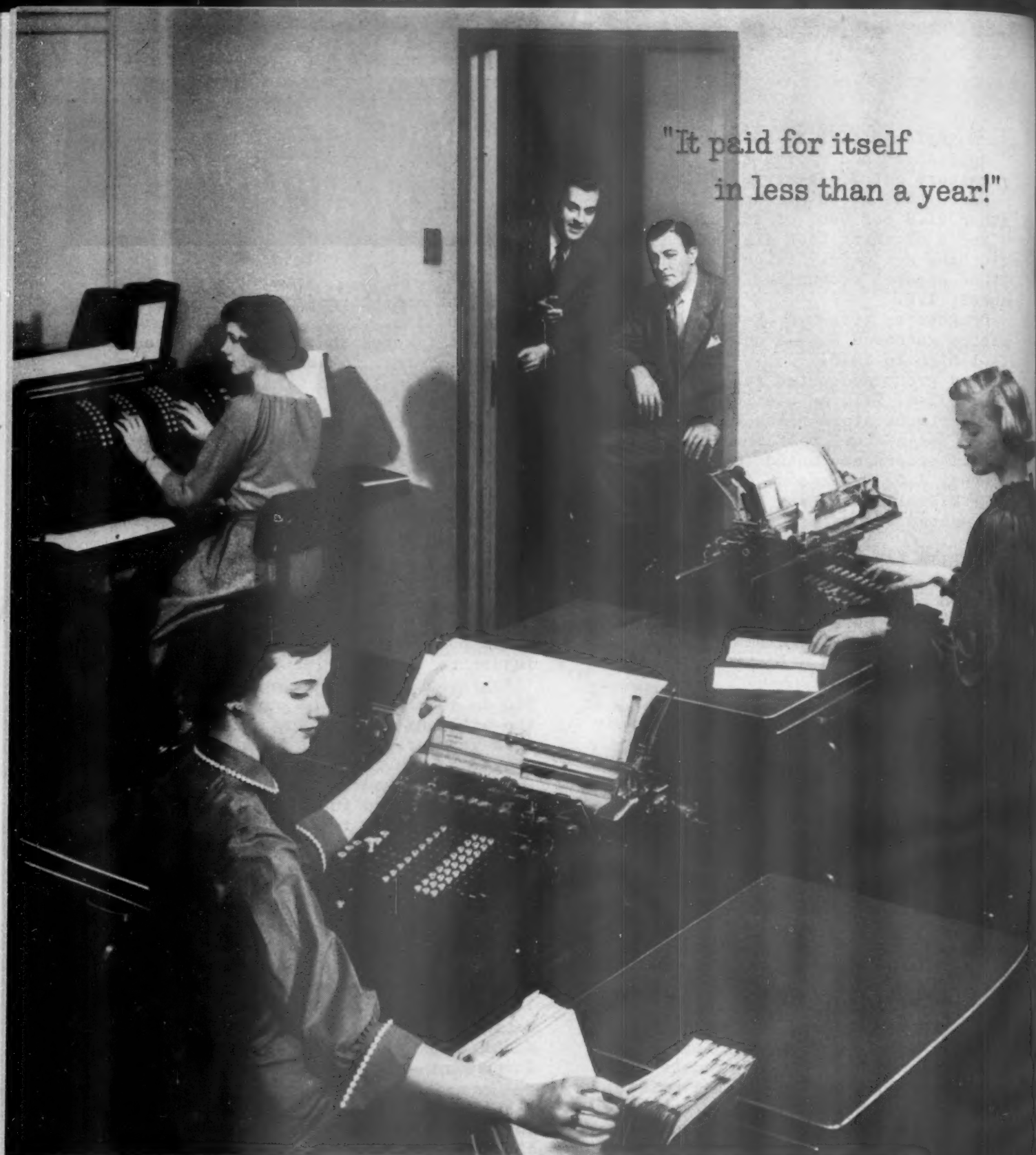
Total involved in investments, commitments, loans and insurance of 30 government agencies in financing field is \$146,000,000,000.

More than 40 agencies are spending \$2,000,000,000 a year on medical service, treating 24,000,000 persons—one sixth of the U. S. population.

These are highlights from summary that wraps up in 48 pages the monumental 2,000,000 word Hoover Commission report.

For your copy send 50 cents to Nation's Business, 1615 H. Street NW, Washington 6, D. C. Ask for "Chaos in Government—and What to Do About it."

► **BRIEFS:** Cost of canceling contracts for Navy's \$186,000,000 supercarrier: \$20,000,000....U. S. airlines put an average of 1,828 miles daily on their Constellations, 1,825 miles a day on the DC 6's....U. S. sheep production has dropped 40 per cent in the last 10 years....Missouri Pacific Lines finds its income flows from these sources: freight, 86.24 per cent; passengers, 5.8 per cent; mail, 2.57 per cent; express, 1.33 per cent; miscellaneous, 4.06 per cent. Manufactured products account for nearly half....FDR shocked the nation's conservatives when he said the country wouldn't be ruined, even if the national debt got as high as \$50,000,000,000. That was just 14 years ago.



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TRENDS



OF NATION'S BUSINESS

The State of the Nation

WE have become accustomed to, and are indeed satiated by, sensational happenings. But in the stream of current events there comes occasionally some episode so weighted with implications that the least thoughtful find their imaginations stirred. The course of history, one realizes, has been irrevocably deflected.

There was such an episode, in faraway China, during the week that followed Easter. And everything since that event has confirmed its significance. Probably it would have made no immediate difference if Chinese communist artillery had not disabled a British gunboat a hundred miles up the great Yangtze River. Communism had won in China before the British warships became involved. But until His Majesty's Ship *Amethyst* was forced aground, and the efforts to rescue her frustrated, the prestige of the Western World in Asia was still high. The white man had not therefore permanently "lost face."

• • •

It is a little more than a century—no long span as the Orient measures time—since British warships of an earlier day forced their way to Canton in the opening stages of what history calls the "Opium War." At Nanking, on Aug. 29, 1842, China signed a humiliating treaty of peace. Hong Kong became a Crown Colony, as the first of Europe's aggressive inroads on Chinese sovereignty. All that was ended, also at Nanking, in the closing days of April, 1949. And it was communism which turned the tide for China.

What semifeudal Japan tried to do in unifying Asia, and what Nazi Germany attempted to accomplish in consolidating Europe is in essentials being far more skilfully accomplished by Russian-trained communists over large areas on both continents. The aftermath of World War II is therefore far more significant for Americans than was that conflict itself. Historically speaking, the last war served only to set the stage for the truly tremendous developments now taking place. Japan is broken and Germany is broken. But these accomplishments created a vast political vacuum, which has been almost automatically filled by the expansive physical strength of Russia and the driving power of communist ideology. It is no longer possible for Americans to be complacent toward Lenin's biting aphorisms, such as his prediction that: "Communism will conquer Europe by a detour over Asia."

The positive side of current change is found in the steady onward march of the communist theory of world federation. Its negative side is the steady deterioration of the outworn little nation-states of western Europe. Nobody any longer really believes that these erstwhile "Great Powers" will be able to regain the positions from which they were toppled by the attrition of two essentially suicidal civil wars. With the destruction of the German economy the possibility of any automatic European recovery was ended. The western fringe of that continent can certainly be kept alive by constant blood transfusions from the United States. But that procedure



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may do more to weaken our own vitality than to restore the wasted strength of Europe.

As the British Empire was the most impressive political consequence of Europe's past vitality, so is the decline and fall of this imperial structure the most depressing aspect of the present trans-Atlantic decay. The week which saw the Royal Navy humiliated on the Yangtze was indeed a black week in British history. It opened with the ceremonious establishment of the Irish Republic, and announcement in Dublin that Ireland will try to restore Gaelic as a living tongue. It closed with British warships licking their wounds in the temporary shelter of Shanghai harbor, and with Chinese communist leaders refusing even to receive London's official protest on the fracas.

When both the cultural heritage and the physical power of a country cease to command respect, its imperial days are numbered. That we would reluctantly realize even without the crisis conference of Dominion statesmen which has been meeting at the seat of a crumbling empire to stave off further threatened disintegration.

• • •

A striking phrase, deserving recollection today, was used by Edward Gibbon, as he surveyed the condition of Rome after the collapse of its empire. "The lofty tree, under whose shade the nations of the earth had reposed, was deprived of its leaves and branches, and the sapless trunk was left to wither on the ground."

It is often said, and there is truth in the assertion, that the Monroe Doctrine was framed and that the United States grew to greatness behind the implicit protection of the British fleet. The substance in that assertion made the recent Yangtze naval skirmish a matter of great symbolic importance to all Americans. What is the future of the United States if the British Empire is now, as so much tends to indicate, a "sapless trunk"?

And it is not only the future of Great Britain which causes concern. If communist success in China inspires the active red movements of Indonesia and Indo-China, then the rich Netherlands empire will lose its value to Holland, and the grave difficulties of France will also be augmented. Moreover, there is the future of southern Korea, and more especially of Japan, cut off from its Asiatic markets and sources of supply; pauperized, sullen and restive under the dictation of perplexed Americans who must support these conquered people without any expectation of winning their affection.

The recent developments in Asia do not introduce, in the world picture, any element which has not been apparent to the discerning for some time. But they do serve to sharpen and focus the problems of American foreign policy with a new and urgent clarity. Clearly the period of im-

provisation is coming to an end.

Our first attempt to contain communism was the "Truman Doctrine" of military aid to Greece and Turkey. That was followed by the Marshall plan, extending economic assistance, on a lavish scale, to 16 bankrupt governments of western Europe. This European Recovery Program, in turn, is now to be modified by the Atlantic pact, designed to draw a defensive military line, from Norway to Italy, against any further westward advance of communism.

Obviously these three steps form a series of hastily concocted emergency measures, impossible to dignify as a carefully planned policy. If the purpose was to contain communism within a certain geographical area, then we should have established eastern as well as western barriers. In a spherical world the United States can be threatened across the Pacific, or through Alaska, as well as across the Atlantic, or through Greenland.

In the second place a grandiose imperial policy must be practical politics for the country which seeks to make that policy effective. It must be within the means of the government and it must conform to the political institutions under which that government operates.

The final debacle in China, highlighted by the failure of the British Navy there, is painful evidence that communism is not being contained. And if Asia goes red, the cost of subsidizing a line of independent outposts in western Europe will soon become prohibitive, even for the fabulous wealth of the United States. A narrowly European strategy, directed against an opponent who is as free to push east as west, is necessarily doomed to failure, as Lenin foresaw.

• • •

Additionally, there is the question of whether a federal republic, designed to prevent its central government from exercising comprehensive authority, is a political mechanism which can be expected to plan and operate an imperial design. It would be unfair to blame individuals, or even administrations, for the almost unbroken series of reverses experienced by American diplomacy since the end of the war. The reason for these failures goes deep. It roots in the fact that our form of government was actually designed to forbid an ambitious foreign policy on the part of the United States.

When the external effort of a nation is out of harmony with the political institutions of that nation, one of two things must happen. Either the character of the effort or the character of the institutions must be sharply modified.

—FELIX MORLEY





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R. W. AYER & SON

The Month's Business Highlights

WITH the decline in prices of metals, the downturn became general. The metals constitute the last major group where inflation held on. Gone are the days of premium prices and gray markets. While the decline in the gross national product and in the national income are small, broad adjustment to a lower price level quite plainly is under way. The decline, it is true, is from a very high level, but there is hesitation all along the line. Major adjustments are in progress.

The attitude of business is one of wait-and-see. Industry is groping to find the level of production at which a profit can be made in a competitive market. Determination of the break-even point is not an exact science. It is a process of trial and error. A part of the decline is ascribed to the jockeying for position and a deliberate slowing down of production until high-cost inventories are worked off.

There is no element of panic in the situation because there is no house of cards to collapse. The downturn has been described as the richest recession we ever have had, but cumulative weakness is in evidence on a broad front. The gradualness of the decline, however, indicates that demand still is strong. Throughout the whole post-war period there have been scattered areas of softness. It has taken them a long time to become general.

Savings are increasing. Household consumers have the money, but are waiting on lower prices. More than token reductions now must be offered to call out buying power. Farmers are buying even more cautiously than are housewives. Stock market prices already are so low that it would take a serious depression to justify further declines.

Wages rise in prosperity, but stubbornly resist decline in depression. As a result, price reductions are small, particularly on items in which labor cost is a major factor. Some cost reduction still is possible, however, because of the increase in productivity. A five per cent increase in productivity, which some predict, would displace 800,000 workers.

The decline in working hours and in employment were not reflected in a comparable drop in output. Seasonal unemployment this year, however, was less than it was last year and much less than in the prosperous year of 1941.

TRENDS



OF NATION'S BUSINESS

Unemployment constitutes one of the most important problems that business must be prepared to meet. When the total of unemployed reaches the 5,000,000 mark it will become a matter of acute concern even with the cushioning provided by unemployment insurance. The labor force is increasing at the rate of 1,000,000 a year. This means the economy must keep on growing enough to provide those additional jobs.

The experience with WPA in the last depression indicated clearly that direct hiring by the Government should not be undertaken again. If unemployment should reach levels calling for federal relief, some now believe the money should be lent to private employers. The money then would be capitalized and each federal dollar would do the work of five or ten dollars fed out at the bottom. Another reason to believe that course will be followed is the strongly held view in legislative as well as executive circles that an effective way to prevent monopoly is to help little business. Senator O'Mahoney's proposal for a national economic convention is regarded as having little merit. It only would provide a forum to voice and sharpen differences of opinion.

• • •

Out of the welter of discussion over freight absorption and delivered prices has come a new appreciation of the ineffectiveness of the anti-trust statutes. Many legislators are concluding that monopoly does not yield to exorcism. Since the antitrust statutes were enacted in 1890, the Government has spent vast sums trying to carry out the objectives of those laws. Business has been forced to spend money in comparable amounts to defend the suits that have been brought or to make the changes those laws required. Some companies have been forced to split into different units. Some lawmakers question if this has brought about more competition than exists between different divisions of the same motor car corporation, for example.

Public opinion in this country demands competition. Politicians yield readily to public demand. Unless all signs fail, the effort to promote competition is likely to take a new form.

There is no way to control bigness as long as efficiency is the cause of its growth and as long as it takes no unfair advantage. The latter will be



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insured by regulation. The trend now is to promote competition by helping small business through better facilities for financing and by intensive services such as the Department of Agriculture provides for farmers. As one legislator puts it: "Help the little fellow and keep the big fellow from violating the rules of the game."

• • •

A part of the slide-off in business during the early months of the year is traceable to seasonal influences. This leads some to think that the recession may not be as fundamental as is generally believed.

No one tries harder to appraise public opinion correctly than do senators and representatives. Their political lives depend upon the accuracy of their judgment as to what the people want. Judging from the attitude of Congress, isolationism no longer has a substantial following in this country. This represents a decided change in feeling since the end of the war. Generalissimo Stalin has done more to bring the change about than did Wilhelm II or Doctor Hitler I. With a strong, mysterious and dangerous power controlling the East, the rest of the world senses the need of common defense. "United We Stand" was an effective motto in the early days of this country. It now has become the slogan of the western powers. The improved world outlook is of great significance to business. It is not likely to have the immediate effect of reducing greatly the expenditures that the United States will make for preparedness or for military assistance for western Europe.

Some further decline in the industrial index seems to be in the cards, due principally to prospects for a continuation of the downward trend in machinery manufacture, iron and steel fabrication, minerals production, textiles, paper and chemicals, but indications point to rising production in automobiles, smelting, cement, leather, meat packing, other food products, and gasoline.

Since the big corn crop in 1948 left a train of deflationary consequences, another year of bumper crops would be of great significance to the general economy. Government-owned stocks may attain proportions that will pose problems that will call for drastic action.

Ninety per cent of the corn consumed is fed to animals. Forty per cent goes into pork production. Meat prices, heavily weighted in the cost-of-living index, are closely related to the corn crop. The carry-over from last year, nearly 690,000,000 bushels, is the largest on record. The low price of corn has raised the livestock feed price ratio to levels favorable for feeding. That means more meat for consumers. Cattle numbers, however, respond more slowly to increased supplies of feed than do hog numbers because the fattening process is longer.

Farmers are continuing to buy machinery

and equipment. They now are drawing on their savings to buy the machinery that has not been available heretofore in sufficient supply to meet the demand. Decline in income apparently is not discouraging mechanization.

Secretary Brannan's new proposal for agriculture would subsidize farmers directly out of taxes rather than by the indirect and cumbersome way that maintains high prices to the consumer. "Parity prices" sound like a program of stability. "Subsidies" sound like special privilege.

For this reason, and because Brannan's plan cannot work without the most rigid controls, farmers are inclined to oppose the change. They prefer the parity, support price plan which is not so obviously related to taxation. They are right in thinking there will be more resentment and agitation against subsidies.

The nonagricultural part of the population will not consent indefinitely to be taxed heavily for the benefit of farmers.

• • •

Although business men have become more sensitive to inventory positions and consumers are not buying with former abandon, neither group is behaving as it would if it thought an economic storm were imminent. During the months when much pessimistic talk was heard, business inventories as a whole kept going up. Interestingly enough, wholesalers' stocks and manufacturers' inventories increased more than did those of retailers.

In retail establishments cash sales are expected to continue to lag behind sales on credit, but the proportion of cash sales continues to be much higher than prewar.

Continued insistence on the part of the National Security Resources Board that new industrial plants be located in cities of less than 50,000 population has given impetus to the trend toward decentralization which was already under way. In fact, one-third of the plants established since 1940 are in towns of 10,000 or less. Prospects for small towns never were brighter. Fifteen per cent of the new plants established from July 1945 to Jan. 1, 1949, were built in Texas.

Increased interest in gold stocks is due to the fact that gold produced in the United States and Canada will become more valuable for payments for foreign goods once foreign currencies are devalued. Considerable devaluation in many currencies cannot be postponed much longer. In terms other than the dollar the buying power of gold seems certain to increase.

—PAUL WOOTON



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Washington Scenes

THE twin goals of American policy are peace and prosperity. Could it be that a realization of the first might endanger the second, that an understanding with Russia and an end of the cold war might upset the economy at home?

The United States is spending \$15,000,000,000 this year on its armed services. It is spending something like \$5,000,000,000 for Marshall plan aid to Europe, and it is likely to spend another billion or more to arm its allies in the North Atlantic pact.

What this huge outpouring means in terms of American production, jobs and purchasing power is an economic fact of such magnitude as to need no elaboration.

Suppose now that the Soviet Union should agree to enter into what the diplomats call an "accommodation" with the West, a live-and-let-live agreement that would reduce world tension. And suppose further that, as a result, two things should take place: first, a sharp cutback in American expenditures for armaments and foreign aid; and, second, a slump in our economy.

• • •

What under those circumstances would the Government do?

The question was put to a man high in the councils of the Truman Administration, one whose voice is extremely important in the making of policy. He agreed to answer, but first he emphasized that he couldn't go along with the thesis.

He said that neither he nor anybody else in a responsible position in the Government was able to foresee an end of the cold war. When the Russians agreed to reconsider the Berlin blockade, he said, they did it because they were trying to get out of a weak position into a stronger one.

As for real peace, a situation in which Russia would halt her plug-ugly tactics and enter into sincere collaboration with the rest of the world—well, he just couldn't see it for the reason that it didn't seem to fit in with the long-range policy of Stalin & Co.

Still, the official said, he had been wrong before and he could be wrong this time; therefore to the question. Accepting the hypothesis that there would be a cutback in American cold-war expenditures, that this couldn't be absorbed in any other way, and that a falling off of purchasing



power seemed likely, he said that the Truman Administration would be prepared to take up the slack and bulwark the economy.

It would do it, he said, with a huge program of public works.

The signal would be given for the building of roads, for the development of river valleys in the Middle West and the West, for projects such as flood control, irrigation and soil conservation, and for the erection of a vast number of much-needed public buildings, both federal and state.

In many instances, it would simply mean taking the projects down from the shelf.

Construction of post offices and other public buildings has been deliberately postponed, partly because of high costs and partly as a matter of policy. Washington has been passing the word along quietly to state officials to delay such projects wherever possible. The argument used has been that it would be better to keep the labor force engaged at this time on the most desirable of all production, the building of homes.

The Administration, of course, is ready to shoot with a big public works program whenever the situation seems to call for it, regardless of the factors responsible. There is no longer any argument about the role Uncle Sam should play in case of a threatened depression. It is outlined in the Employment Act of 1946, which pledges the Government to use all of its resources to promote maximum employment and production.

"This means," President Truman has said, "that the Government is firmly committed to protect business and the people against the dangers of recession and against the evils of inflation. This means that the Government must adapt its plans and policies to meet changing circumstances."

The attitude of Mr. Truman and his associates right now is one of quiet satisfaction with the economic picture.

This may seem unjustified to some business men, especially those who are concerned about the "soft spots," but that is the way the Administration people feel about it. These officials think that the leveling off that has taken place has been a good thing, and they remind you that it has been a leveling off at a "high level." They believe that business will continue for some time at this level.

The way things are going in Washington, espe-

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cially on Capitol Hill, bears out a prediction made just after the 1948 election. It was said then that the Government seemed to be headed down the middle of the road, with a slight veering to the left. That's the direction and that promises to be the direction for some time to come.

There is no great enthusiasm for social welfare legislation at this time, probably because times are good. Nevertheless, some reforms will be approved in spite of cries about "socialism."

• • •

If no action is taken on the Truman health program at this session, and none is likely, no great significance should be drawn. The program should be regarded at this time as merely a seed. Its sponsors certainly realize that it will require much tending and nurturing before it can blossom into legislation. First, there must be a great national debate on the plan. This hasn't come yet because the average American hasn't got around to thinking much about it, and consequently knows little about its provisions.

Actually, it is one of the most tremendous proposals ever placed before the public. Some 120,000,000 Americans would be covered by the scheme, which would be financed mainly by automatic payroll deductions. Benefits would include medical, dental, optical, hospital and home nursing care, eyeglasses, hearing aids and such appliances as braces and wheel chairs.

Old-timers on the Hill won't hazard a guess as to what is going to happen to this particular Truman plan. However, they will say this: that sooner or later some kind of national health insurance plan is going to be enacted, and cries of "paternalism" and "socialism" won't stop it.

This view is based on historical considerations and takes into account a tide that has been running in American affairs for more than a century. Laws that are now taken for granted—those providing for a tax on incomes and inheritances, for example—were bitterly fought at the outset as socialistic. Some got on the statute books only after long years of agitation. It is noted, however, that the trend has always been the same, toward a wider distribution of the nation's wealth and toward what the politicians call the "better life."

Reading now about the income tax fight is a reminder of how irresistible this trend has been. Congress had employed the income tax, and also the inheritance tax, in its desperate search for revenue during the Civil War. Thereafter both were abandoned. The Democrats attempted to revive the income tax in 1894 for the avowed purpose of making the rich bear a greater share of the national burden. However, the Supreme Court declared nearly every feature of the law unconstitutional.

The proponents fought all the harder, and so impressive was the agitation that a Republican

Congress in 1909 submitted to the states an income tax amendment to the Constitution. This was ratified in 1913, at the outset of the Wilson Administration, and became the Sixteenth Amendment.

The historians, Charles E. Beard and Mary R. Beard, said of this momentous action:

"Against protests of conservatives that it was communistic, populist, or socialistic, the principle of apportioning taxes according to riches—ability to pay—was now generally accepted as just. . . ."

The controversy today is not only over who is to pay the bill for social legislation, but over who is to administer it.

Sen. Robert A. Taft says that the President's program of compulsory health insurance "is really a plan to provide free medical care to all the people of the United States, and pay for it by taxation." This, he argues, would "socialize and nationalize" American medicine.

The Ohioan, in putting forth his own program of social welfare legislation, proposes that the federal Government advance money to the various states and thus help them better to provide medical care and food and shelter for the needy.

The *Washington Star* has observed that "the best that can be said of his (Taft's) position is that he offers a kind of limited socialism." Taft insists that the difference between him and Mr. Truman in this matter is not merely a difference of degree, but a definite difference of principle.

Some observers here think that this question of principle is the great issue of the day. That may be so. However, there is no evidence that the American people are greatly excited about it.

• • •

Washington Splinters: A friend recently asked President Truman if he would allow himself to be "drafted" in 1952. Mr. Truman's answer was: "Are you crazy?" . . . Louis Johnson, the big Secretary of Defense, is suspected of having White House ambitions. The Gridiron Club threw his hat in the ring with a satirical song about his "availability." . . . A good long-shot bet for the Democratic nomination in '52 is Chief Justice Fred M. Vinson. . . . Friends of Gen. Eisenhower say that he is definitely out of the picture. . . . Steve Early, the new undersecretary of defense, is about the only Roosevelt confidant who hasn't written a book. Publishers have guaranteed him a small fortune to tell his story. An old-fashioned fellow in some respects, he feels that he has to respect a man's confidence even when death intervenes.

—EDWARD T. FOLLIARD



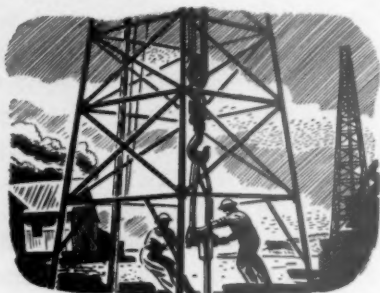
Standard Oil Company (New Jersey) Reports for 1948...

A year of Progress and Results for an Oil-using World!..

OIL SHORTAGE FEARS of a year ago have vanished. All around the world, oil resources are expanding. In doing their part to meet the rising needs for oil, this Company and its affiliates last year made the greatest efforts in their history. Here are some facts from this Company's Annual Report to its more than 200,000 stockholders . . .

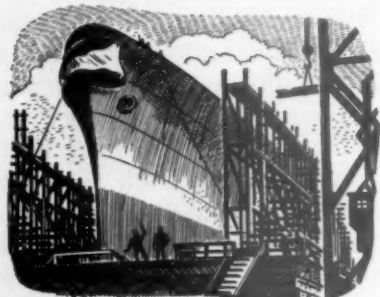
1 TOTAL PRODUCTION AGAIN INCREASED.

After setting new records in both 1946 and 1947, this Company and affiliates in 1948 increased crude oil production by 8% over the year before. Output of crude oil by our domestic affiliates represented 9% of the total crude produced in the U.S. Output of affiliates, world-wide, represented 14% of world production.



*More wells drilled than ever before.
Proved reserves increased*

2 SEARCH FOR NEW OIL SOURCES SET RECORDS. More wells were drilled than ever before. Costs for this were a record \$374,000,000 in 1948. Proved reserves in the earth at year's end were at a new high.



14 new Supertankers ordered, each nearly twice the size of wartime tankers

3 EVEN GREATER COSTS FOR EXPANSION AND REPLACEMENT were again required to meet rising needs for oil. Jersey Standard

and affiliates spent a record \$529,415,000 in 1948, even more than 1947's investment of 426 millions. For these needs and payment of dividends, money again was drawn from earnings, from borrowing, from sale of assets, and from further call on savings of past years.

4 NEW FACILITIES RESULTED ALL OVER THE OIL-PRODUCING WORLD.

In Venezuela, the world's largest pipeline was completed. Fourteen new supertankers were ordered, each nearly twice the capacity of wartime tankers. At Montreal and Edmonton in Canada; at Billings, Montana; Linden, New Jersey; and Baton Rouge, Louisiana, new refining facilities for more and better oil products went into service. At Amuay, Venezuela, a new 60,000 barrels per day refinery neared completion.



New facilities like this modern refinery help increase oil supplies

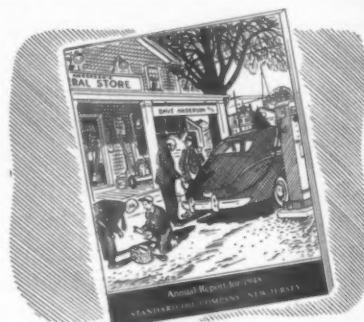
5 RELATIONS WITH EMPLOYEES CONTINUED EXCELLENT. Again there were no domestic strikes or work stoppages. At year's end the gross investment in property, plant and equipment amounted to \$26,600 for each of the 129,000 employees of Jersey and its affiliated companies.

6 BOTH INCOME AND EXPENDITURES ROSE. As reported in the consolidated statement, total income of all companies was \$3,332,187,000, an increase of 40% over 1947. At the same time, costs were also

up 40%. \$1,386,248,000 was paid for crude oil and other supplies, \$573,459,000 paid to employees, \$492,000,000 for other operating costs. Taxes of \$268,000,000 were paid.

7 RECORD NET EARNINGS, LARGELY PLOUGHED BACK.

Consolidated net earnings totaled \$365,605,000. Yet this total, plus affiliates' earnings assignable to stockholders other than Jersey, plus all of the year's depreciation allowances was just about equal to the amount of money put back into the business to meet pressing needs for expansion and replacements. Stockholders of Standard Oil Company (N.J.) received dividends of \$2.00 per share of the Company's stock, plus a stock dividend of two shares for each 40 shares held.



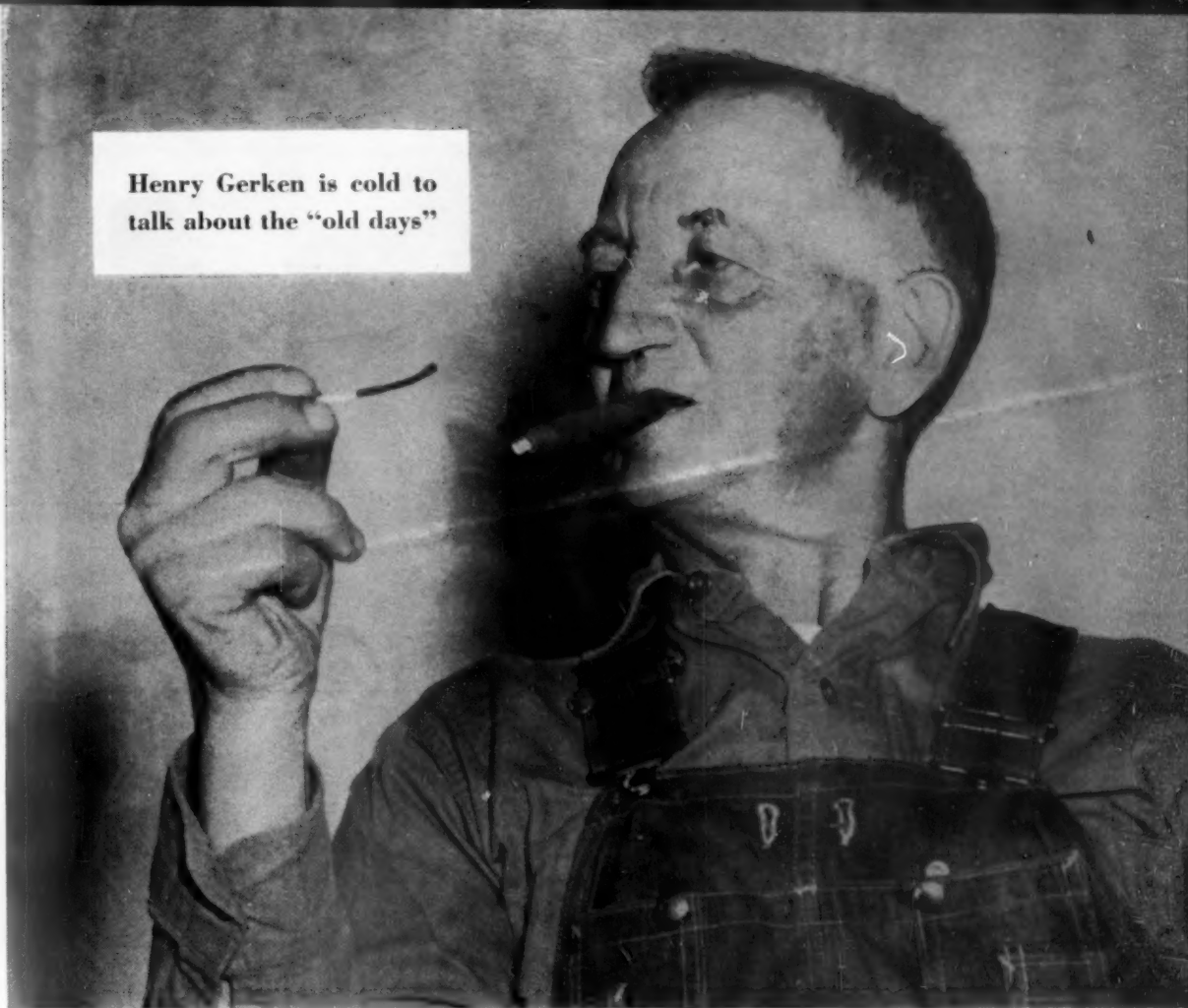
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ALTHOUGH world oil consumption for the year increased 6.5%, and U.S. consumption 5.6% . . . the need was met and more. Threatened shortages were averted. Proved reserves in the earth are greater than ever before. New, modern facilities for meeting present and future needs are coming into operation throughout the world. Increasingly, human progress calls for more and more oil. In every way, the year 1948 was a year of progress and results for an oil-using world.

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STANDARD OIL COMPANY (NEW JERSEY)
AND AFFILIATED COMPANIES

Henry Gerken is cold to talk about the "old days"



PHOTOS BY CHAR PITTS

What the Farmer Wants

By KENNETH L. DIXON

HE'S glad to have regulations to help keep him solvent, but he could do with fewer rules

SURE it was the farm vote that re-elected President Truman and the Democrats," the veteran farm adviser said. "But as to what the farmer wants from the Administration the next four years..."

"Best thing you can do is drift around over three or four states and talk to a lot of farmers who have seen it through the good times and the bad. See what they say... Then, when you finally get ready to quote somebody, pick out the farmer who seems to disagree the least with the most!"

A few weeks, a few hundred farmers and a few thousand miles later, Henry Gerken seemed to fill the bill. . . .

If Henry Gerken is any criterion, the main thing most American farmers want from the Government the next four years is less of it.

And if that also means slightly less in the way of guaranteed income, then, as

one of Henry's neighbors is fond of saying, let the tall go with the hide!

Few men know better than Henry how bad was the farmer's plight before the Government finally gave him a helping hand in the form of the triple-A and its successor agriculture programs. Few can offer more tangible proof of how much better things are on the farm today.

"But," says Henry, "you don't leave your tractor hitched onto the front of your car all winter, just because it pulled you out of one mudhole."

In Henry's program farm price supports would be largely limited to a floor or disaster base, established low enough that only in a rare year would it become an expense factor in the federal budget.

"With a floor down there for insurance that he won't go completely broke one year, a man's not running blind. He's willing to risk the cash he's got putting



Gerken sees production controls as encouraging "profiteering sharpsters"

in the crop because he's got kind of a safety net to keep him from losing everything. But you can't let the bottom drop out like it did before, or the whole country gets hurt—plenty! Remember?"

Otherwise, Henry doesn't want much in the way of federal subsidies. Mostly it's because he doesn't like interference in running his farm, such as controls over the acreage he plants to various crops. Even as an emergency measure, he got enough of that in years not too long gone—and he thinks most farmers today are farsighted enough not to overcrop their soil or overburden a specific market.

"Of course, there's always some who will," he concedes. "But when the government men try to tell everybody how much to plant to this and how much to plant to that—well, it just don't work out."

Henry has other opinions, if you hang around long enough to smoke them out. They are strong opinions, but not too arbitrary. A staunch Farm Bureau man, he goes along with the organization pretty much on legislation involving the Rural Electrification Administration, Soil Conservation and farm cooperatives—but his opinions, nonetheless, are based on firsthand experiences in those fields.

Obviously, Henry Gerken fits no particular thinking pattern. He is a Democrat who voted for Harry

Truman, but he is so conservative in some of his opinions as to be labeled a reactionary by those who go in for such terminology.

By the same token, some of his other views veer well to the left of many a well-known liberal. And on some issues—taxes, for instance—he does a mental tight rope act right down the middle, leaning spectacularly first one way and then the other.

"If a farmer is making money," he says, "generally he don't mind paying taxes." And that, as far as Henry is concerned, is that.

But before expanding on those and other opinions, let's see who Henry Gerken is and how he got that way.

It was bitterly cold through the long winter of 1918—colder than it had been in years. When the last week in February rolled around, northeastern Iowa still was blanketed in drifts that hid the fence posts, and the mercury moved above the zero mark only about midday.

It was slow going for the caravan that made its way southward from Nashua to Waverly and Cedar Falls, then east to Waterloo and Independence. Four teams pulled the sled and wagons, with the buggy hitched behind one, and equipment and furnishings piled high on them all. Eastward out of Independence on the Dubuque road

the caravan crunched through the snow, the eight horses stamping and snorting white plumes out of frosted nostrils . . . on through Winthrop, Manchester and Earlville.

Then, at the schoolhouse corner some three miles short of Dyersville, Henry Gerken shifted his chilled body on the wagon seat, tightened the left line, and the lead team swung north across the fields toward the 200 acre Delaware county farm where he was moving with his young and pregnant wife and their two children.

Son of a Dubuque county farmer and one of 13 children, Henry had love of the land in his blood. He had married pretty Kate Tegler in 1911 and had farmed for someone else for four years. Then had followed a three-year stretch as blacksmith at Nashua, and the decision to gamble with his credit and his knowledge of the soil by buying his own farm.

The big, lumbering lead team topped the last rise and Henry looked down on the cluster of buildings nestling on the slope above the creek which ran through the farm's rolling acres. Snow-covered and desolate-looking in among the trees, the farmhouse still represented their first real home to the Gerkens—the place where they would spend most of their lives, but the place which they would not

really be able to call their own for nearly 30 years!

A week after they moved in, their third child, Charlie, was born and the new home was fairly christened. Eventually, there would be seven children, four girls and three boys.

Potentially, it was a good farm the young Gerkens had bought. The day was to come when it would be rated one of the best in a neighborhood and state noted for fine farms. But that February day, 31 years ago, it was in bad shape when they moved in. The only fences were those which bounded the property. The soil had been over-cropped, without legume-seeding, rest or rotation, until each harvest was getting smaller than the last. The land's rolling contour solved some of the drainage problems, but not all, and there were many acres badly in need of tiling. But that sort of thing took cash, and Henry had very little cash with which to make his first crop.

Purchase price on the farm was \$140 an acre—\$28,000. Henry put a \$20,000 mortgage on it at six and one-half per cent interest for the

first five years, then five per cent until paid off. He borrowed the remaining \$8,000 on his personal note at a flat seven per cent. In addition, he still owed \$1,800 on the equipment he was bringing in to farm the place, and that was to be paid off in seasonal instalments.

What happened in the years that followed is an old story to thousands of American farmers who bought their land during the same period.

At first, things went pretty well. Those postwar years were good ones for farmers—for a while. The indebtedness on the equipment was cleared, the first few payments on the mortgage and the personal note were met and Henry started making improvements. The fields were fenced off, and clover and grass alternated with the corn and grain in rotation to revive the tired black loam and restore its basic richness. In 1919 and 1920, they expanded their income by building chicken houses and going heavily into poultry raising. In 1921, they tiled the land and started really getting top production out of the farm's arable 160 odd acres. They added

several hog houses and in the middle '20's built a silo so that they would have the roughage to increase their dairy herd and diversify their meat production.

But the silo was doomed to be the last major improvement on the farm for more than a decade. Agriculture's postwar honeymoon was over and the farmer was the first to feel the pangs of what was to become a national economic disease. There came a bleak morning when Henry Gerken got up in the cold, predawn blackness after a sleepless night during which he had grown years older. He helped Bernard and Charlie with the chores, ate a little breakfast silently and put on a clean shirt and pair of overalls. By the time the sun was rising red and angry, he was ready to start the long trip to town to tell his creditors he couldn't meet the payments on the mortgage or the note.

The only grimly cheering thought in his mind that morning was that things couldn't possibly get worse. But they could and did. Each succeeding year brought a

(Continued on page 56)



While Gerken fears federal inroads, he knows what the REA means to his family



HIDDEN PROFIT

By PAT FRANK

WHEN Old Man Parker left early one Friday, he set office tongues to wagging. But all were wrong

IT WAS the warmest day of spring. Miss Rathbun had opened the windows and permitted the south wind to carry into the president's office of Parker & Feldkamp, brokers, the tang of salt water and scent of flowers from the Lower Bay and Staten Island. At noon she noticed a fact, peculiar and without precedent. Mr. Parker wasn't watching the ticker. He wasn't tracing his charts. Mr. Parker was staring out of the window. He was either daydreaming or fascinated by the ceaseless movement of small craft on the East River and Upper Bay.

Ordinarily at 12:15 he would send Miss Rathbun down to the cafeteria, 60 floors below, to fetch his lunch of chicken sandwich—no salt or mayonnaise—and buttermilk. But on this Friday at 12:15 he said, "Miss Rathbun, I'm leaving for the day. I won't be back until Monday. In an emergency you can get me at my place in Huntington." He lifted his stocky, heavy body from the chair with some effort, put his Homburg squarely on his head and left.

Miss Rathbun, stunned, carried the news to Roger Feldkamp, who had outgrown his title, junior partner, by ten years.

"I hope the old man's not sick," Feldkamp said. "His face did look strained," said Miss Rathbun.



"Gee, I'm sorry," the boy replied.
 "I guess I can't either, then"

"It always does. Sure he won't be back?"
 "All I know is that he's gone. First time he ever left before six."

"Then I'm going, too," said Feldkamp. "The market's got creeping paralysis and I could use some golf."

Miss Rathbun spread the tidings through the outer offices. "What d'you know? Old Profit's taking off the whole week end!"

Then she went out to lunch, fed peanuts to the pigeons in Trinity Churchyard, absent-mindedly took the subway to Central Park, and forgot to go back downtown.

Because of certain events during and after the month of October, 1929, Jeffrey Parker's nickname originally had been Prophet. The Street believed it was corrupted to Profit because of the slogan printed on Parker's Market Guide: "Never take a loss. You can always afford to wait for a profit." Miss Rathbun and Roger Feldkamp knew better. He was called Profit Parker because he was implacable and single-minded in his devotion to gain.

The younger employes didn't remember, but he hadn't always been like that. Once his booming laugh rattled the windows, he took an hour and a half for lunch and wore his Homburg

jauntily atilt. He had grown quieter after his wife's death in 1939, and during the war a crust had grown over him. Miss Rathbun and Feldkamp couldn't place the date of change, except it was sometime in '44.

But Parker remembered exactly. On Nov. 22, 1944, the last line in the communique from Italy had read: "In air operations three enemy aircraft were shot down. One of our fighters was lost."

The loss of that P-38 was a minor incident in the Italian campaign, but to Jeffrey Parker it was his whole life. After you are 50, to lose your only child is to lose your connection with the future.

That was one of the things Jeffrey Parker was thinking as he stared out of the window that Friday morning—that no matter how hard he worked, how correctly he diagnosed the market—he could not buy a future. He didn't like to think these things.

He did not like to think of himself, or his son, at all. But whenever he saw a sailboat he thought of Bobby, and there was a tiny sail, dodging tugs

(Continued on page 70)

The Small Town Hits the Jack Pot

By RICHARD SEELYE JONES

**INDUSTRIALIZATION of small towns
opens up a vast new reservoir of labor**

WM. R. FRUTCHY



BOLIVAR, Tenn., has a new tannery. Raritan, N. J., has a surgical supply plant. Nogales, Ariz., has a shirt factory. Tecumseh, Mich., has a new foundry and Bangor, in the same state, a new garment factory. These towns of less than 5,000 population, and hundreds like them from coast to coast, are no longer just waiting for Saturday until the farmers come to town and stir up a little dust along the main stem. Slightly larger places, the cities ranging up to 25,000 people, are acquiring factories by the dozen, or the score. Tennessee had 84 new industries starting business in 1947 in places of less than 10,000 inhabitants. Kansas is still the bread basket of the wheat belt, but the metalworking industries in that state are employing 300 per cent more people than in 1940 and screaming for more steel and other raw materials.

Gopher Prairie is on the boom and Main Street is having its face lifted. Farm hands released by the mechanization of agriculture have come to town, or drive in each day, and are working in factories. Some of them are making the very machines which have taken their places on the farm. There are new stores and there is new paint, new movies and new electric lights, new paving and new sidewalks, and new homes going up in Hometown. The American small town has hit the jack pot of industry, and the small town loves it. Its awakening is one of the economic phenomena of postwar America.

The growth of the whistle stops already has made itself felt in national marketing. Towns that formerly asked the drummer about gingham and overalls now have



MAIN STREET takes on a new look when the factory payroll flows in a community

an interest in taffetas and tuxedos. The local hardware merchant has raised his sights from shingle nails to television sets. Store fronts are being modernized and repainted and windows display electric refrigerators, furnaces, modern farm implements and sporting goods.

And the industrialization of the hinterlands has real significance in terms of future technological progress. A great new reservoir of labor is being tapped close to home. Thousands of untrained workers are getting new opportunities to develop mechanical know-how.

Hometown may be getting a little frightened of the word boom, but the postwar boom in America's small towns has not been in real estate or in the stock market. It is industrial development that shows every sign of permanence. It means an improved balance between the farm and factory in many areas, a sounder economic and social fabric bulwarked by year-round payrolls, and the advances in cultural and living standards that follow increased buying power.

What is taking place in towns is

also taking place in the smaller cities. Jackson, Tenn., had 24,000 people—of which 905 were engaged in manufacturing—in 1940. Since 1944 it has added 13 factories employing 950 persons. Bristol, at the opposite end of the state on the Virginia line, has expanded in like manner. Traverse City and Escanaba, in Michigan, cities in the 15,000 class, have doubled their industrial employment. In Cheboygan and Tecumseh the ratio of growth is greater. Percentage-wise the smaller cities are outstripping Detroit industrially. The complaints about the steel shortage which inspired a section of President Truman's first message to the Eighty-first Congress were not from St. Louis. It was Joplin and Sedalia and Springfield and cities of lesser size in Missouri, Kansas, Minnesota, Oklahoma and elsewhere that had stormed the

small business committees of Congress with complaints and demands for materials to keep new factories operating.

Community leaders and educators in rural areas and smaller cities long have sought to provide increased opportunities for youth. Town after town and village after village had paid the cost of rearing and educating its children, only to see them move away when they reached a productive age. The greater the youngster's capacity for leadership the more likely he was to leave for the closest metropolis.

The steady migration from the country to the city not only deprived the towns and villages of potential leaders, but it created some headaches for the cities themselves. As they saw their population move from the downtown areas to the suburbs, often leaving behind blighted areas and creating

new traffic problems, city planners wondered if the growth of their areas hadn't passed the point of diminishing returns.

Industrialization of the small town holds forth the hope that an increasing number of youngsters will find the opportunities they seek right in their own back yard. Take Bangor, Mich., as an example. Here, the United States Employment Service was recruiting labor in 1941 and 1942 from among the 1,400 townsfolk, sending them to cities with war plant needs. Since the war, five new industries have located in this pleasant little village and the home town boys are coming back, with added recruits from Chicago and elsewhere. More than 100 new homes have been built in Bangor since 1945. Prior to that time not a single house had been built in 15 years.

So Main Street is on the march.

The complete extent of this alteration in life, business and economics may be revealed late this year when the 1949 Census of Manufactures is completed. Its causes are already being studied, and learned reports are being issued from such sources as the National Planning Association, the National Security Resources Board, and the National Industrial Conference Board. A cursory study of

such reports, and a case history survey of small town activity in a few of the many new "factory towns," will not tell all that can be shown by a complete census, but will serve to reveal definite factors in small town development.

Two elements which have had much discussion may be dropped out of consideration at the outset. The growth of industry in small communities has not been the result of geographical dispersion to avoid atom bombing. The Hill report (Strategic Considerations in Industrial Locations, compiled by Arthur M. Hill when he was chairman of NSRB) is important, but frankly preliminary. Its leaning toward dispersion rather than underground construction as defense strategy against bombing is indicative of coming trends, but has not become operative during the past few years while manufacturing in small centers has begun to boom.

The Supreme Court's basing-point decision in the cement case, with its wide possibilities for altering distribution costs, was rendered in 1948 and has not been responsible for the changes which have taken place since the war.

These two broad potentialities may have future effects. What has already happened has been the

locating, in small cities and towns, of many hundreds of industrial plants which can be divided into three categories:

1. War Babies. These are plants developed through the subcontracting of war production. They include the five- or six-man shop which grew to a 100 man shop on war orders, and has since directed its new capacity, skills, buildings and equipment to peacetime production.

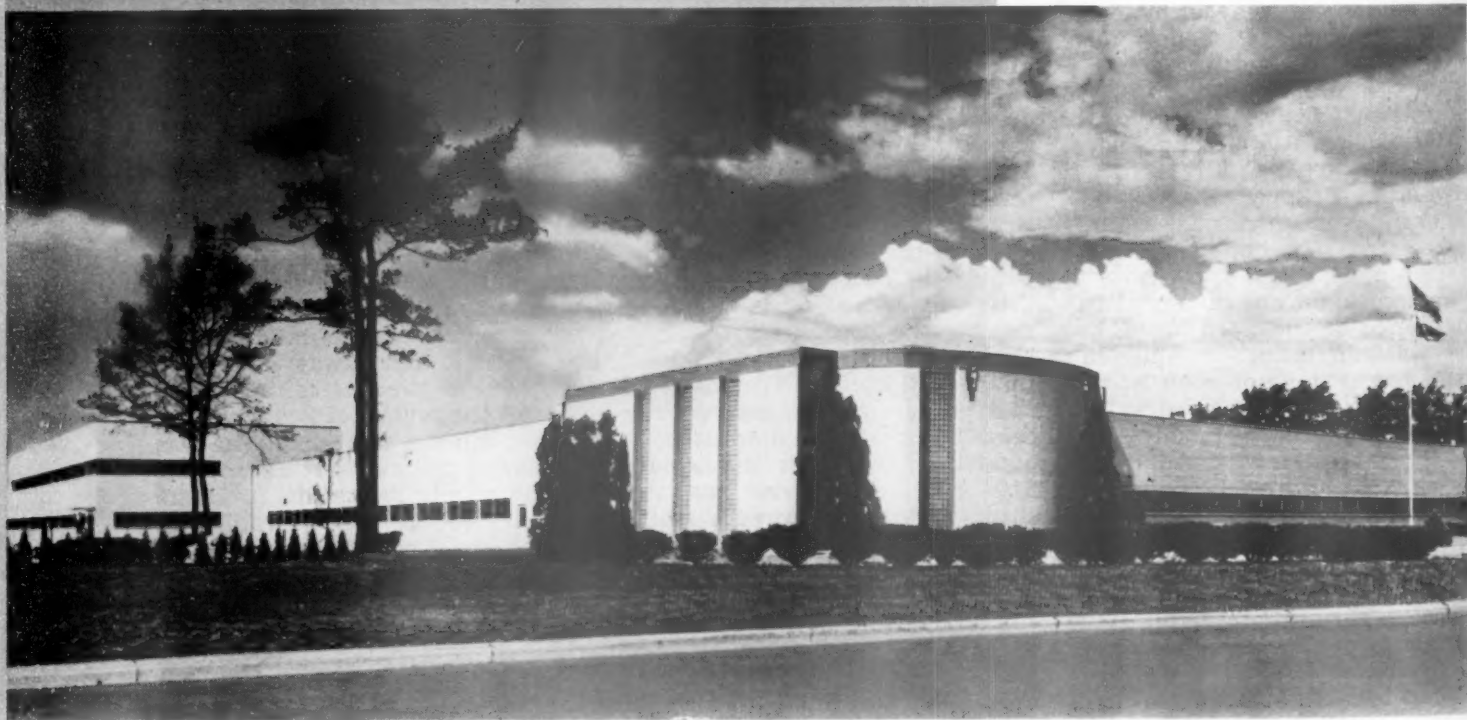
2. Branches of big companies. Many large manufacturers are establishing their growing production facilities in new plants rather than increasing the size of their established factories.

3. New Companies. Plants established to produce goods in localities where little or no manufacturing formerly took place. The reasons include new inventions or processes, new markets, and new labor supply released by agriculture. New local capital accumulated in war or postwar prosperity has financed many of these.

Some companies locating branch factories in new areas have done so because of availability of raw material, markets, transportation or on the basis of taxes, power, and land and building costs. But in the case of many small towns the outstanding evidence is that human reasons are the most important. These are reasons applying both to management and labor. It is prov-

(Continued on page 67)

MANY more small cities and towns are soon to be the sites for new plants such as this



INDUSTRIAL TAPE CORP.

Is the A-BOMB Secure?

By WILLIAM BRADFORD HUIE

WHEN the world's fate depends on a single weapon, people reasonably ask: Are we making enough of these weapons? Are we improving them? Are we guarding our secret as well as we can?

IN THE OPINION of Winston Churchill what peace we have had, what freedom western Europe enjoys, our chance to build a united world—all these depend on the deterring effect of our atom bomb. President Truman has solemnly declared that we will not hesitate to launch the bombs against any aggressor nation.

The conclusion is natural then that democracy's safety—perhaps even its survival—may depend on our bomb position.

"What is our bomb position?" thus becomes the world's most urgent question, followed closely by others:

Have we as many bombs as we could or should have?

Is our secret safe?

Are these bombs strategically placed and in the hands of men who know how to use them?

Because of pathological secrecy surrounding the bombs, these questions have not been answered. Moreover the people, whose lives may depend on the answers, have not even been given the information that could be reported under the law.

As matters now stand, it seems unlikely that they ever will be. To understand why this is so, one must know the facts of our atomic organization.

The five-man Atomic Energy Commission, of which David E. Lilienthal is chairman, is the most powerful bureau ever created by the United States. Lilienthal accepted the chairmanship on the condition that a majority of the commissioners should be acceptable to him. So, since Jan. 1, 1947, he has been virtually absolute dictator of an organization which is protected by self-regulated secrecy, which now spends \$1,000,000,000 a year and upon which the survival of what freedom is left in the world may depend.

The Commission is not answerable to the military; it is but vaguely answerable to Congress; it is answerable only to a President. As head of the Commission, therefore, Lilienthal possesses more power than the American people have ever delegated to any man other than a President. He is, in effect, the sole manufacturer, the

sole custodian of our "primary weapon."

Lilienthal himself has described the AEC as being "in a position not fully consistent with the traditional methods of public accountability and management."

What congressional authority there is for monitoring the AEC is lodged in the Joint Congressional Committee on Atomic Energy. This committee was organized in January, 1947, under the chairmanship of Sen. Bourke B. Hickenlooper, Republican, of Iowa.

Senator Hickenlooper organized the committee on the theory that its reason for being was to be a watchdog on the AEC. The senator was not antagonistic to Lilienthal—he had voted for his confirmation—he simply believed it his duty in a government of checks and balances to keep check on how

the Commission was spending \$1,000,000,000 a year, on what sort of people it was hiring, and on how many bombs the country was getting for our money.

Accordingly, Senator Hickenlooper employed as executive director and deputy director of the Committee two intelligence agents, Fred Rhodes, Jr., and David S. Teeple. Both these men had been with Lieut. Gen. Leslie R. Groves in the Manhattan Project from the beginning, both of them knew the production and security problems.

The realistic assignment given Rhodes and Teeple was to keep the Congressional Committee informed on what the AEC was doing. Until May 1, 1949, they did this by checking the AEC's secret reports with regular visits to the plants and stockpiles.

The Congressional Committee

has no real authority over the AEC. It can only direct Lillienthal's attention to what it considers to be possible mistakes and ask him to defend his actions. Quietly, without publicity, using the information gathered by its own expert, nonpolitical staff, the Committee followed this procedure.

The result has been little more than a continuing series of disputes over matters which involve the national safety. One of these disputes has been about the question of production.

Little attention to bombs

WITH so much dependent on the number and rate of production of bombs, it would appear that during the past 29 months the AEC would have been driving its organization furiously with one great purpose: to give this nation a stockpile of bombs so big and so deadly that no nation would risk our retaliation.

But instead the manufacture of bombs seems to have been treated as a secondary, rather distasteful activity of the AEC. From the lecture platform repeatedly, almost apologetically, Lillienthal has declared: "If all there was to atomic energy was weapons, I wouldn't be in this job." In his confidential appearances before the Congressional Committee he has been impatient with questions about bomb-making and has hastened to his long-range plans for drawing water, hewing wood, growing gardens and extending life with atomic energy.

As laudable as this attitude may be in its place, what effect is it likely to have on the thousands of Americans who are working on nothing but weapons in our atomic plants? Is the making of more and better atomic bombs an honorable American activity, or is it one for which an apology is indicated?

The problem is one of emphasis, and members of the Congressional Committee have been alarmed at where, in this dangerous period, Lillienthal has placed the emphasis.

Because of the nature of the bomb, the number of bombs that we have at any time is more or less dependent on Lillienthal's personal decision. The first step in bomb manufacture is to make the fissionable material. The material can then be made into proper sizes and shapes for a bomb, or it can be used for some nonmilitary purpose. The other components of a bomb are manufactured separately, and a bomb is not as-

sembled until it is ready for use. Atom bombs can't be finished and stored like TNT bombs; and the fissionable material allocated to a bomb is transferable to some other use.

A fair estimate is that we *should* now have enough fissionable material fashioned into bomb forms and enough of each component to assemble 400 1949 model bombs within a few hours. I say we *should* have this, or we *could* have had this; not that we *do* have it.

On Dec. 5, 1945, Dr. J. Robert Oppenheimer publicly testified that we could make 500 bombs a year "but the country would feel it," or, he said, we could make 50 bombs every nine months without any particular sacrifice. That was 42 months ago, so at little more than the leisurely rate we should have enough bombs with which, if necessary, we could smash the military power of any country even if the bombs were no more powerful than the one used at Hiroshima.

As to how many bombs we *do* have, only this—under the law—can be reported: some members of the Congressional Committee who know the approximate number have not been satisfied with the rate of production; and they have not found Lillienthal amenable to their suggestions for more speed.

Nor has an anxious public derived much satisfaction from the AEC on questions of security.

Questions of security

IN 1948 a committee investigator discovered, working in the weapons design department at Los Alamos, a man who, according to the investigation, had held a card in the Merriman Branch of the Communist Party, Berkeley, Calif. It was in the Merriman Branch that most of the espionage against the Manhattan Project had originated.

Senator Hickenlooper called the man to Lillienthal's attention. The latter argued that, if he discharged this man, he feared hundreds of scientists would resign in protest. Senator Hickenlooper replied:

"If hundreds of loyal scientists are going to quit their work at the firing of a man who has belonged to the Communist party, then it is time that this situation was revealed to the American people. I suggest that you discharge this man, then give the Congress the name of every scientist who quits in protest."

Lillienthal, after an argument that extended over eight months,

then fired him. No one quit in protest.

In connection with cases such as these, a widespread misconception needs to be dispelled. Many people believe that, under the law, the Federal Bureau of Investigation "passes on" every employee of the AEC. This is by no means true. The FBI only *investigates* every prospective employee; it makes no recommendation; and the AEC is free to interpret the FBI information in whatever manner it chooses—or even disregard it altogether.

A second misconception is that the AEC's Personnel Security Review Board, headed by former Supreme Court Justice Owen J. Roberts, "passes on" all cases of questionable security risk. Other members of this board are Dr. Karl T. Compton, former president, Massachusetts Institute of Technology; Joseph C. Grew, former under secretary of state; George M. Humphrey, president, M. A. Hanna Co., Cleveland, Ohio; and H. W. Prentiss, Jr., president, Armstrong Cork Co., Lancaster, Pa.

Board without authority

THE fact is that this board has been dissolved by its own action, and its members have retired in various stages of disillusionment. After the Commission had repeatedly refused to accept the recommendations of the Board, after persons whom the Board had refused to clear had been hired, it became apparent that the Board had been created only to share responsibility, not authority.

A further disagreement between the Congressional Committee and Lillienthal was over the granting of fellowships. The AEC, through an agent, now selects 200 student scientists a year and pays them up to \$3,750 yearly plus travel expenses to continue their studies, presumably with a view toward being employed by the AEC.

The Congressional Committee took the position that, before any student should be granted a fellowship, he should be given the routine checks by the FBI. Senator Hickenlooper asked: "Why should the people of the United States subsidize the education of a man who appears to be a potential traitor? Why should we pay to train a man who cannot be entrusted with secret information?"

Lillienthal took the position that since students would not actually be working in government plants, to check their associations and loyalties would be a "violation of

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REEDITH

The Chamber's New President

By NORMAN KUHNE

**A FIRM ADVOCATE of public activity,
Herman W. Steinkraus assumes office**

ONE OF THE attributes of men who are leaders is that they arouse strong partisanship. The devotion of their followers is matched only by the antagonism of their adversaries. Herman W. Steinkraus, new president of the Chamber of Commerce of the United States, is no exception.

In Connecticut, where he lives and heads the Bridgeport Brass Company as president and chair-

man of the board, some men call him too liberal. Others insist that he's a dyed-in-the-wool reactionary. Although he dislikes labels, this divided opinion convinces Steinkraus that he's effectively pursuing a course of independent action on controversial economic and social issues.

It is evidence, too, that the Chamber's new president follows the course he recommends for all

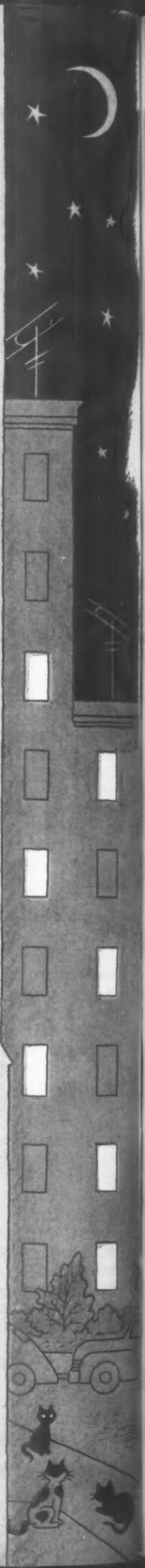
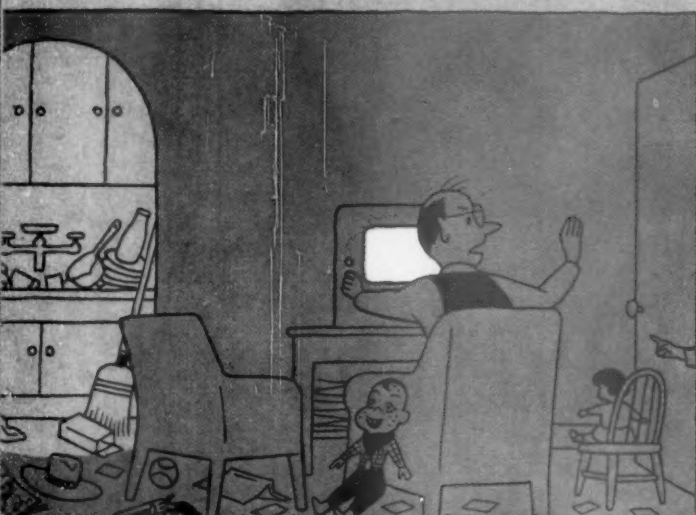
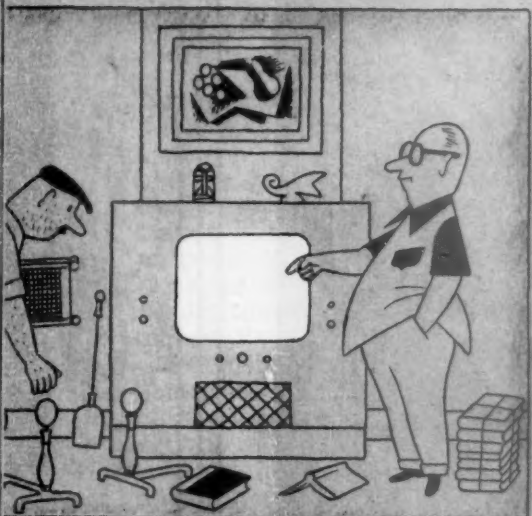
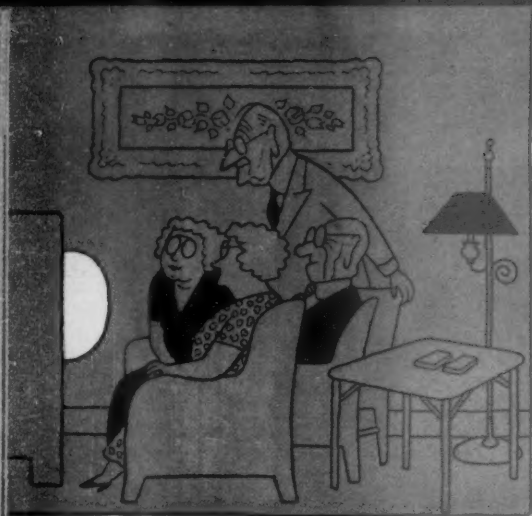
business men: "Participate in public affairs." Persons who avoid the firing line are seldom shot at.

His own willingness to march toward the sound of the cannon stems from a basic philosophy which he summed up in a recent address:

"We may as well accept the fact that Government is going to play a larger part in business in the future.

"The reason is that the American people have changed. They have begun to look to Government to do more and more for them in connection with such matters as labor-management relations, anti-trust actions, and measures to protect the public interest. Gov-

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TV WILL CHANGE YOU

By HARLAND MANCHESTER

SECOND only to the future of atomic energy as a subject of current chatter is 1949's big question, "What is television going to do to us?" Everyone wants to know the answer, and you can almost tell by the tone of voice what business a man is in. Only two years ago it was possible to shrug off television as an entertainment medium of limited use which would do little more than destroy the peace of barrooms and supplement radio in the homes of the well-heeled.

Since then, TV has taken the bit in its teeth. As I am writing, more than 1,000,000 homes and taverns in 27 cities are showing air-borne pictures sprayed from 58 stations. Millions of people are being bombarded with TV vibrations, and the salesmen are closing in on them fast. Wage earners all over the land hear the heartbreaking plea, "When are we going to have a television set?" and are surrendering in droves with only token resistance. So when you read this, revise all figures upward. Figure on 2,750,000 sets by next January, and similar increases in years to come,

and you may not be too far wrong.

All this is causing jitters among radio people, movie moguls, night club operators, book and magazine publishers, sociologists, architects and home decorators, and there are many other people who will worry when they wake up. For it isn't enough to compare 1949 television with radio in its burgeoning days of 1925—you'll be more in the groove if you think of something like Ford's Model T and the resultant revolution in roads, real estate and romance.

There are two basic facts about television: it is a dozen times more arresting than any previous device for home entertainment, and most viewers give the screen their undivided attention. They don't read, play bridge, wash dishes, mend socks, dance, run electric trains, argue, neck or beat their spouses, as they frequently do to radio accompaniment. Television does not supplement; it is *it*. And the more you look at it, the less you do anything else.

This simple observation already has been buttressed by surveys and

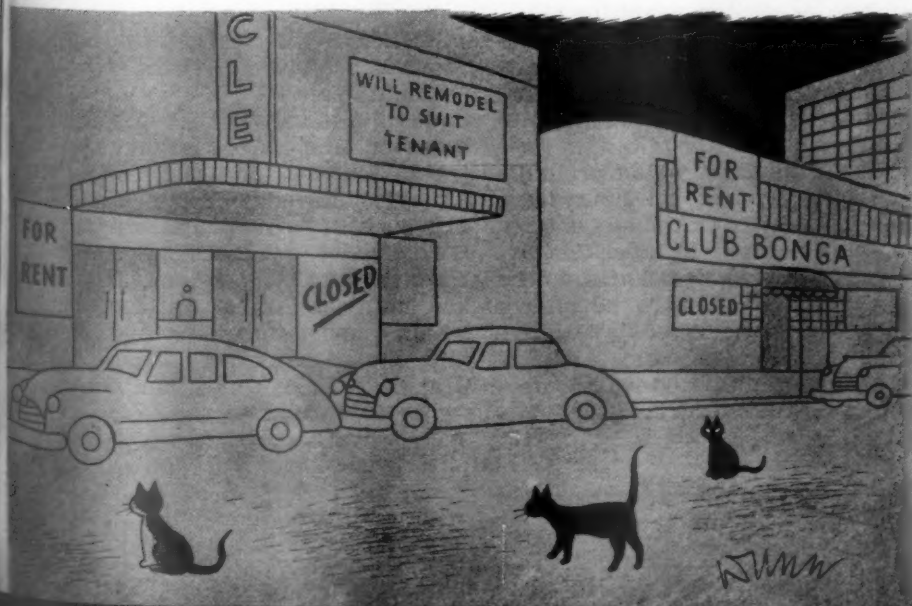
figures. Dr. Thomas E. Coffin of Hofstra College, Hempstead, N. Y., directs a television research bureau which is busy chalking statistical handwriting on the wall. Dr. Coffin and his staff have conducted "depth interviews" to analyze the time-spending of 137 TV families, weighing the results against a similar group not yet blessed with TV.

Last summer he found that movie attendance among his TV viewers had fallen off 20 per cent, and a follow-up not yet completed indicates that this figure has climbed to 30 per cent. These people not only go to movies less, but when they do, they don't like them as much, and the longer they have TV sets, the less they like movies. Eight per cent of "new owners" reported slipping movie yens, while 17 per cent of those with sets six months old showed the same symptoms.

Night-clubbing was already slipping without being pushed, but TV has given it another sock. Dr. Coffin reports that all forms of dining out and dancing have fallen off 42 per cent among his guinea pigs. To sum up, all evening gadding, whether you spend money or only drive out to see Aunt Minnie, has declined about 30 per cent among these representative set owners. And competing home hobbies have taken a similar licking. Evening radio listening has fallen off 74 per cent, and 18 per cent less time is spent in all types of reading.

Such reports uphold the wildest communiques from TV's rampant press agents. They inspire a vision of the Man of Tomorrow dashing home from his office and sinking in a "telechaise" or "teleswivel chair." (Yes, they've got 'em already.) There he sits surrounded by his gawking loved ones while the world's wonders unfold upon the screen. Guests, greeted with a hiss, subside into the upholstery. Dinners degenerate into sandwiches. The Life of the Party grows old and forgets his stories. Club bartenders retire to chicken farms and P.-T.A.

IF YOU think a new baby calls for lots of changes around a home, wait until you've lived with television



groups, lacking quorums, wither on the vine. As black-and-white palls, color will spur the appetite, and after that, three dimensions and the smellies.

Even more moderate seers forecast great changes in American living. It is clear that radio is voluntarily cannibalizing itself to nourish the new giant, which is not yet standing on its own feet. Profitwise, the TV curve will gradually ascend, to meet the descending radio curve within perhaps five years. TV will take over much of the radio empire, but radio won't go off the bottom of the graph. Many rural areas may never have television because of the nature of the beast, and factors like low cost, portability and freedom to work or relax while you listen will always provide a big market for sets. While TV steals the place of honor in the living room, more radio sets will appear in bedrooms, kitchens, dens and workshops, offering refuge to those who wish to use only their ears. As the big variety shows move into television, transcribed music, news broadcasts and daytime serials will take over more and more radio time. Many popular events, like political conventions and baseball games, probably will always be "simulcast" (a new word in advertising circles) over both media.

Change in architecture

MORE about that "place of honor" in the living room. A friend of mine who lives in a big apartment house got a set recently, and the lead was run down his fireplace chimney, putting it out of commission. Other people are recessing their sets in the fireplace to save room—more handwriting on the wall.

The *Architectural Forum*, nervously spotting this trend, suggests that "the living room cannot have two main focuses of attention." It seems that the fireplace, the modern architect's one concession to sentimental tradition, is on the way out. St. Nicholas will doubtless appear on the screen Christmas Eve, and you can drive nails in the set for the kiddies' socks. And there could be an electronic accessory for toasting marshmallows. Manufacturers already are offering sets to be built into walls, and one maker has a television screen which reflects like an ordinary mirror when not in use.

The *Forum* further suggests that living rooms may be elongated to provide better viewing by more people, that furniture may be grouped theater-style, and that

luminescent paint may be used to indicate hazards in the dark and keep viewers from breaking their necks. Luminous silverware and dishes also are proposed, and a supply of small tables for eating. Many people who have rumpus rooms are converting them into television theaters, but in most houses the living room will become, in effect, a small theater. The sudden creation of millions of small home theaters with no admission price will have an incalculable effect upon every social and economic subdivision of American life.

Cost no serious handicap

ONLY a year ago, many people—I among them—were saying that the cost of television would keep it in the carriage trade, but that isn't so. A housing expert who has been doing a survey of low-cost dwellings tells me that he sees sets everywhere, and that TV is becoming the poor man's theater. Then there's the middle economic group and the sitter problem. A New York couple with small children who want to see a movie have to pay about \$4.50 for a sitter, film and subway fare, with no pineapple soda. At that price, a movie has to be good. Many families living on medium salaries have found that they can pay for a decent set in 18 months by shunning one movie a week, and get television the rest of the week for nothing.

No wonder Hollywood is taking aspirin. If new set owners follow the pattern set by Dr. Coffin's sample, that decline in movie attendance—placed even higher by other samplers—may close thousands of theaters, reduce salaries of producers, directors and stars, and ultimately deglamorize the Hollywood legend which has done so much to shape the tastes, habits and dreams of millions.

But there is an old rule: If you can't lick 'em, join 'em. Lee De Forest and many other prophets see a great demand for motion pictures built to order for television. Costumes and scenery in such films would have better black-and-white contrast and the sets would be more intimate, to fit the needs of the living room screen.

TV film dramas would probably be no more than an hour long, tailored to fit into advertising schedules. Many old favorites may be remade for television use, the more popular ones to be shown many times. And some day, Hollywood's great talent pool will doubtless be utilized to produce live network TV shows for the East, but at

present no one can estimate when the East and West networks will be joined.

All writers and publishers of the printed word, as well as educators and thoughtful parents, are concerned with the threat that the habit of reading may decline. We have seen that Dr. Coffin's people spend 18 per cent less time in reading than similar families without television. Book publishers recognize the challenge. Robert Linscott of Random House is confident that adult book readers will continue to read books, but wonders whether television will hamper the cultivation of the reading habit among children. Gilbert Loveland, head of the school textbook department of Henry Holt and Company, reports considerable concern lest television shows interfere with children's homework. He may be right; snatching meat from a tiger seems easy compared to dragging a child away from watching the "Howdy Doody" and "Small Fry" programs.

Differing effect on reading

IN a symposium conducted by the New York *Herald Tribune's* weekly book review, Richard L. Simon of Simon and Schuster sees some competition, but remarks hopefully: "I have noticed that television keeps family units together much more than any social phenomenon that has recently occurred in the United States. Perhaps when people are home more they will tire of that screen and spend a considerable part of their time reading magazines and books."

Bennett Cerf concurs. He thinks that after the novelty wears off, viewers rarely will watch more than two shows an evening. In between shows they'll be sitting there with nothing to do, and that's when Cerf plans to sneak up on them. Says he: "Who knows but what a few of them may form the brand new and intoxicating habit of picking up a good book!" And some publishers believe that television will help—that programs built around books and authors will stimulate sales.

We might as well face the fact, however, that there's no great virtue in reading for itself alone. "I am quite sure that excessive reading may be a form of laziness," Lord Horder, a London physician, recently told his students. There are many kinds of information which television can convey faster and more memorably than the printed page or any other known

(Continued on page 74)

A FORM of moderate investment that pays lifelong dividends to everybody, and that may very well be the means of perpetuating world democracy, has made spectacular progress in American industry since the end of World War II. It is based on two humane, long-range principles: (1) Industry must take its place as an integral part of community life, and (2) raw brain power is one of the most serious wastes in America today.

This year, more than 400 of the nation's manufacturing and retailing concerns are underwriting individual programs to send capable young men and women through colleges and institu-

Stockpiling Skill for the Future

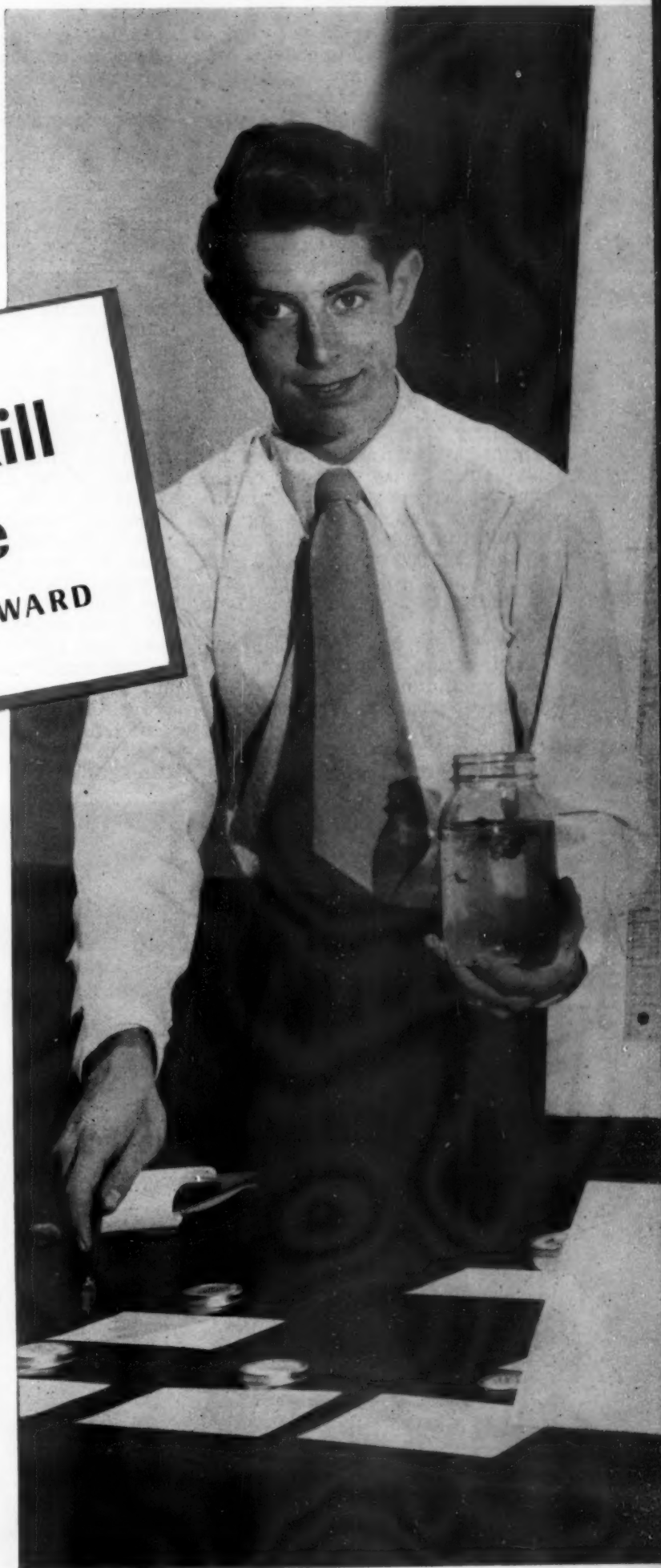
By ROBERT WEST HOWARD

tions of higher learning as their prepaid guests. These programs are coordinated only in the fact that they are based on scholarship standards developed by college entrance boards and state departments of education. No professional or trade organization has urged the idea along, for political or economic reasons. Rather, it indicates a rising tide of public responsibility on the part of American business.

Consequently, in 1949, more than 2,000 students . . . enough to fill all the lecture halls at Dartmouth or the University of Georgia . . . are going to college as guests of our industries. Less than half of them will take employment, after graduation, with the firms who give them this opportunity to broaden personal horizons and "tool up" personal aptitudes. Yet the array of scholarships, fellowships and grants costs the donors upwards of \$10,000,000 a year.

Goat for this movement is the realization that a great share of America's tremendous reserve of brain power is going to waste at a crucial moment in the history of Man's long struggle for democratic freedom. Raymond Walters, president of the University of Cincinnati and an authority on educational statistics, said not long ago that in Ohio only one out of every ten of the boys and girls best fitted to go to college ever gets there. Figures are worse for the nation as a whole. Less than half of the high school gradu-

Dwight Taylor won a Westinghouse annual science talent search



ates in the upper 30 per cent of their classes enroll in college. And, of these, many have to withdraw because of financial needs.

Against this trend, after carefully analyzing the inroads that ignorance, prejudice, and communist dogma have made on the nation's economic and social systems in recent years, farsighted industrialists quietly agreed with Fowler McCormick, chairman of the board of International Harvester, that "The human relations of business and industry will determine in the long run whether the American people will keep free enterprise or turn to some other system." So, with a minimum of publicity, the scholarship programs have been set up to meet this challenge. Today they are reaching into every segment of our economy in a patient search for the intellectual and "natural" leaders of the 1,100,000 who graduate from our high schools each June. Admittedly, the movement has a long way to go.

Since 1929, a dozen businesses ranging from meat packers to pattern manufacturers have contributed \$300,000 to send 900 of the rural boy and girl winners of 4-H Club contests through college. From this group have emerged out-

standing young leaders in rural affairs today. Three are editors of rural magazines. Another is public relations director for a farmer-owned cooperative doing an annual business of \$77,000,000 a year. Scores are teachers in state colleges, county agents, or officials with the Federal Extension Service. Not a few have become executives of firms dealing in the huge farm market. But, in line with the over-all purpose of the program, the majority have returned to home communities to become better farmers, better business men, better housewives. Today, from coast to coast, directors of chambers of commerce and presidents of service clubs in small cities and towns say, with a grin, "4-H put me through college . . . and opened my eyes to the times."

Similar reports come from the huge scholarship program sponsored by Sears Roebuck & Co. through its Sears Roebuck Foundation. Since 1936, this organization has given college scholarships to more than 7,000 rural youth, with strict orders of "no ballyhoo" to its public relations department. "Our surveys show that 88.7 per cent of Sears scholars after leaving school were in occupations connected with agriculture," an official of the

Foundation told me. "Of these, 41.1 per cent are farming, 47.6 per cent are agricultural workers of other types—county agents, agricultural teachers, soil conservationists, agricultural research men, veterinarians, foresters, and the like."

In New England, thanks to the quiet insistence of Alfred H. Avery, president, all of the 22 companies operated by the American Chemical Company have a standing arrangement that the son or daughter of any employe who graduates in the upper third of a high school class will be given a four-year college scholarship at the school of the student's choice.

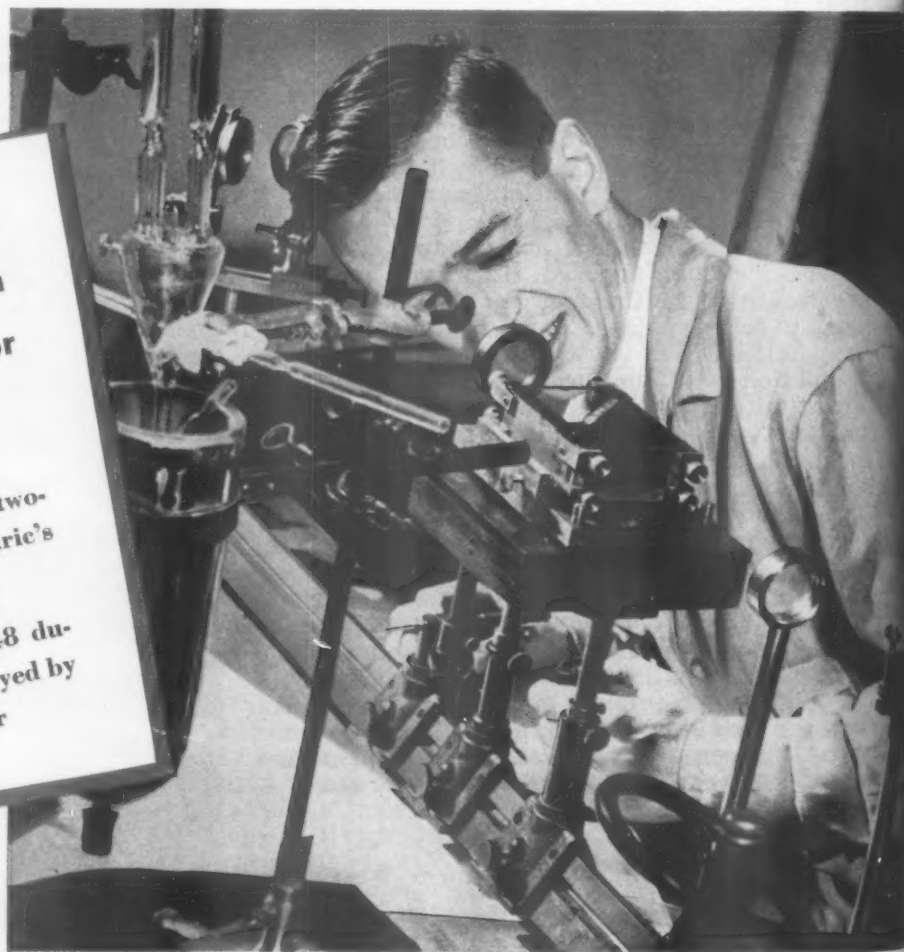
In Detroit, a similar program is under way at the Holley Carburetor Company, through a foundation established by George M. Holley and now operated by his keen, serious-minded son, George M. Holley, Jr.

The Ashland, Ky., plant of the Armco Steel Corporation observes the birthday of its founder, George M. Verity, each April 22 by giving a competitive examination to sons of employes. The two with highest ratings are offered four-year scholarships in engineering at the University of Cincinnati. Similarly, the John Olga Queeney Foundation of Monsanto Chemical in St.

**MORE than 400 firms
are sending young men
and women to college or
on to additional study**

Robert W. Davidson, left, is a two-time winner of General Electric's Charles A. Coffin Fellowship

Joseph H. Faupel, a 1947-48 duPont fellow, has been employed by that company as an engineer



Louis maintains an educational fund available to employees and their children. And, just a few months ago, the historically independent Lukens Steel Company of Coatesville, Pa., established an annual scholarship grant for students of their city's Scott Senior High School.

Even newsboys are in the picture, in contrast to the tattered shabbiness of the tradition established for these extroverted young merchants by Horatio Alger two generations ago. A survey conducted last summer by the Circulation Managers Association indicated that 16 per cent of the larger dailies are offering college scholarships to their carriers, on the standard basis of competitive examinations.

Some of the papers are giving 20 scholarships a year. The average is 4.7 scholarships, with a cash value of \$335 each. The average cost is 1.3 cents per subscriber, a little more than a stick of chewing gum per reader. Benefits to be derived, contend the papers, include reductions in carrier-turnover, attracting a higher type of boy, encouraging higher scholastic achievement, developing local leadership, and creating public good-will. Significantly, 40 per cent of these papers began award-

ing scholarships in 1948, and 73 per cent have taken up the plan since 1946.

So the list goes on. Big firms with big scholarship outlays that total as high as \$500,000 a year; little firms with moderate but equally well intentioned foundations designed to "give a chance" to the alertness and leadership potentials of "bright kids" in high school along a thousand Main Streets.

"And the beauty of it is," one company president told me, "we never know when or where the pay-off is going to come. All we know is that there inevitably is a pay-off—with bonus. If the youngster comes out of college to take a job in the plant, it usually happens there and with obvious immediate benefit to us. Otherwise, we're repaid in the form of better community relations, in higher standards of living, in new ideas, in a clearer public understanding of social and economic relationships in the American free-system. But the point is the pay-off inevitably comes, and it does help us, directly and beyond any personal sense of pleasure."

In Detroit, General Motors officials echo a profound "Amen" to that philosophy. The entire investment of their Fisher Body Crafts-

man's Guild program, they tell, was "paid off, with bonuses" one murky night in January, 1944, on the Allied beachhead at Anzio, Italy. Off ahead, the Nazi guns growled with a new intensity. The battle for an Allied toehold on the mainland of Europe hung in the balance. Unless the intensity of bombings from American planes was stepped up, our forces might be pushed back into the sea . . . with consequences comparable to Dunkirk.

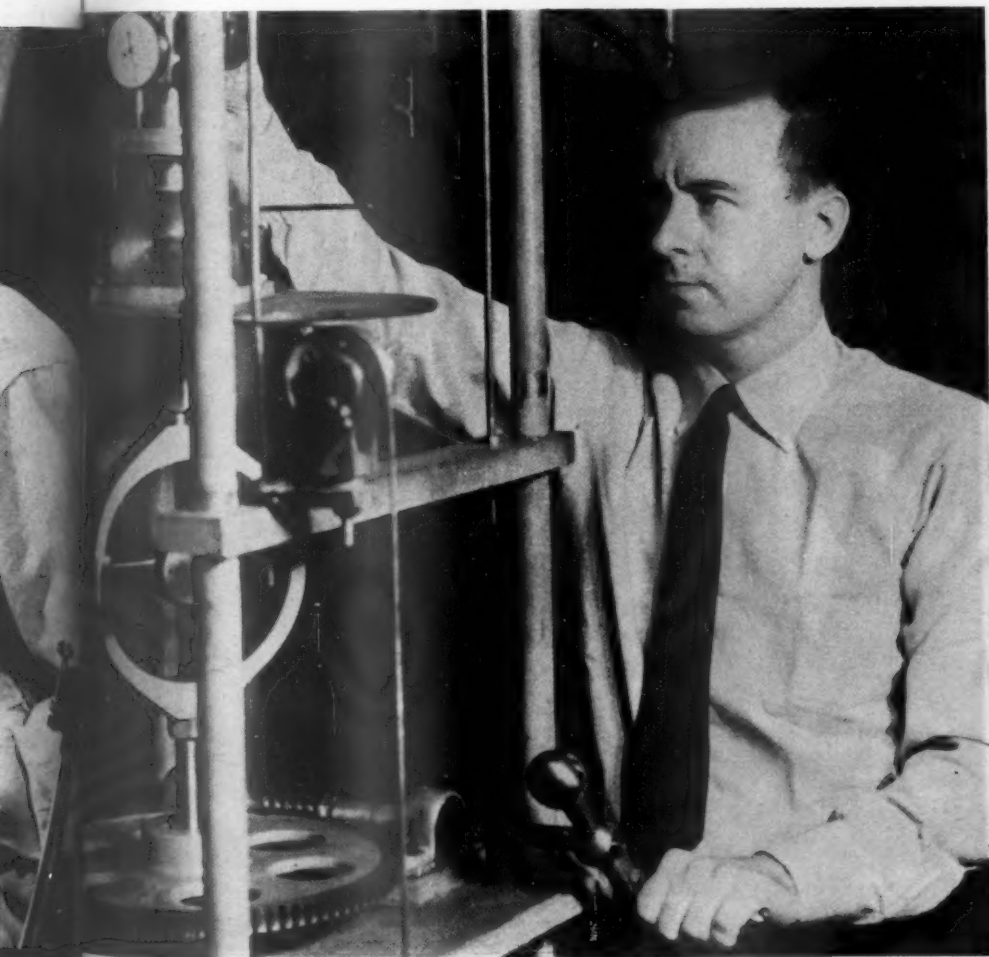
The 50 minute lectures on "stress and strain," the lazy "whoo" of freight trains blowing for the South Bend crossings, the bravo of the tiny Napoleonic coach as it stood on display in the Detroit auditorium, all of these were a world away that night to Tech. Sgt. Edward N. Sendek as he stood with other personnel of the 340th Bombardment Group, staring up at the undercarriages of the B-25's on the Anzio beachhead. The planes had been rigged to carry 1,440 pounds of fragmentation bombs. If, somehow, Johnny-on-the-spot they could be re-rigged with the materials at hand to carry heavier bomb loads, the Nazi guns might be silenced and their troop-carriers and supply dumps destroyed.

Suddenly, the Notre Dame lectures began to come back to Sergeant Sendek . . . the stress-and-strain laws . . . and, before them, those laws of ingenuity he had had to discover for himself in order to build the model Napoleonic coach that had won him a Craftsman's Guild scholarship three years before. Now, the techniques of building a lathe from junk parts in the cellar at home, the ingenuity of making a chisel from a broken file, the aptitude traits of pioneer skill began to conceive a new-type, simple bomb rack that could be built from available supplies that night on Anzio.

Senior officers approved the idea. Sendek and his squad began to build bomb rigs. Next morning the 340th's B-25s took off with fragmentation bomb loads averaging 2,600 pounds. Similar "adapters" were installed in F-47 Thunderbolts, enabling them to carry a 500 pound bomb and fragmentation clusters. The adapter, named the A-2, became standard in the 12th Air Force. Sergeant Sendek was commissioned a second lieutenant in the field.

Sendek's name is only one in a long list of distinguished young doers who have shown their caliber through the ingenious process of building a miniature Napoleonic coach for the Craftsman's Guild

(Continued on page 54)





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NEED 65 BE TIME TO RETIRE?

By A. BARR COMSTOCK & SYDNEY MORRELL



ARNOLD ALLEN

"JOSH" CAMERON had worked all his adult life for a Great Lakes shipping company. After 45 years of honorable service as a skipper, he was retired *cum laude*. "Well, what do you know about that?" he exclaimed indignantly. "And I thought I had a steady job!"

Amusing? Try this one:

Irving Kaiser, a spry "youngster" of 67, applied for a job with a lumber company as a master carpenter. "Sorry, pop," the personnel manager told him. "Can't hire anyone more than 50. Against company rules."

Or this:

The vice president of a large corporation retired on his sixty-fifth birthday. Although healthy and active, he had no choice, for his company had a pension plan, had set 65 as the retiring age, and deemed it wise to make no exceptions. So he took up golf, puttered around his garden—and was dead within two years.

The names of these not-so-quaint vignettes of our "retired" classes are not important. You can take your pick out of the 10,500,000 people in

this country who are now more than 65, or out of an average of 2,700 Americans who are reaching that age every day. Population experts estimate this figure will be more than 4,200 by 1975.

In 1939, there were only 659 corporations in the United States with private retirement plans for their employees. There are more than 10,000 corporations with such plans today, a testimonial to the increasing sense of responsibility among employers for those workers who have put in many years of service. A large proportion of such plans examined recently by the National Industrial Conference Board have an arbitrary "get-out" rule based on age, and the prevalent age is 65.

But is it true that when a worker retires on pension he can look forward to a contented and secure old age? Should retirement be compulsory, even with a pension? And, if so, at what age?

"Death comes at retirement," warns Dr. Roger I. Lee of Boston, Mass., past president of the American Medical Association. "The most intelligent of pensioners rebel when they are retired, and lead a miserable existence that cuts short their span of life." Dr. Edward J. Stieglitz, chief of staff of Suburban Hospital in Bethesda, Md., just outside Washington, D.C., puts it this way: "It is an axiom of clinical medicine that forcing the one-track mind executive to retire is tantamount to signing his death certificate within the year."

Now this is no problem which can be solved by a general raising of the retirement age to keep the elderly worker at work, nor by a general lowering of it to permit him to readjust himself to the conditions of retirement. For the individual

**EVERY DAY 2,700 persons
reach the age where they
must stop work. What to do
about them is a problem**

tragedies of our "Josh" Camerons, our Irving Kaisers, and our retired corporation executives are rapidly becoming an economic problem of national dimensions.

The weight of our population is shifting to the older group. A century ago, before the decline of the birth rate had made much headway in this country, more than 40 per cent of our population consisted of children less than 15. In 1940, more than a quarter of the nation was 45 years and older. Thirty years from now, this group will comprise two fifths of the nation, and by the turn of the century—well within the life-span of today's children—at least half the nation will be 45 years old or more. To show the speed of the trend which is unique in our peacetime history: in the decade from 1930 to 1940, our total population increased by 7.2 per cent, but the number of those 65 or more increased by 35 per cent, or nearly five times as rapidly.

These are population statistics, but what do they mean? Well, conservative estimates put our population in 1975 at 185,000,000. In these terms, the statistics mean that by that time there will not be less than 62,000,000 people who will be 45 or more, and nearly 20,000,000 who will be 65 or older. In terms of simple comparisons, we shall have more people past 45 than the total number employed at the present time. If we choose to ignore this aging curve, and if we maintain present working standards and retirement conditions, we shall have a potential labor surplus of more than 30,000,000 workers—with all this means in

selves and their families and those who are retired. There is no difficulty in this at present, but in the future the burden could become formidable, for it's estimated that old-age benefits payable by the federal and state governments will increase in the next 40 years from about \$1,500,000,000 annually to several times that amount.

In New York State, the problem has already become so apparent that a legislative committee under Sen. Thomas C. Desmond has been studying the subject from all angles. After listening to the testimony of employers, labor representatives, doctors, psychologists, and welfare specialists, the committee has come up with this recommendation: Birthdays don't count. No man is necessarily too old at 65. He might, in fact, be at his prime then, or even later. He might be past his prime at 45 or 50.

Just how 65 came to be picked on as the age to retire is a mystery. Probably, like Topsy, it just grew and is now firmly rooted in spite of the fact that times have changed, that life expectancy has also grown. In 1900, for example, which is about when corporations first started private retirement plans, life expectancy in the United States was 49.7 years. It is now 66.7 years—a year more than it was in 1945 and growing rapidly. Moreover, since this takes into account deaths from all causes at earlier ages, those who reach 65 can now expect another 13½ years of life—which is more than four times as much as that estimated on some of the old life policies. And this "new lease on life" is certain to be increased with future improvements in

medicine and social services.

So why compulsory retirement? Employers who believe in it give many reasons. Some say that workmen's compensation rates go up when the elderly are employed, others that older workers are subject to higher accident rates, that the public prefers younger men for jobs needing public contacts, that elderly workers can't produce as profitably as the younger ones, and so on.

But are older workers more liable to be involved in accidents than their younger colleagues? The experts don't think so. About two thirds of all industrial accidents occur among those less than 45, and the greatest number occurs among the 20 to 24 age group, according to the research of Senator Desmond's committee.

"The older worker," the committee found "has fewer accidents. His experience has taught him how to avoid them. The employee most likely to be involved in a plant accident is the younger one who has not learned safety precautions, is more reckless, and has his mind on his week-end date."

The older worker does take longer to heal once he has an accident, but medical men believe, from the numbers and ages of their patients, that the



Forced retirement can be a man's death sentence

terms of supporting them through taxing those who are working.

For, to achieve constantly improving standards of living, it is essential that the level of non-producers to producers should be kept as low as possible, in other words that the elderly stay at work as long as they can make a useful contribution. The more workers we retire, the greater the economic burden on those who work, for they have to produce enough to support them-




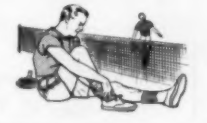
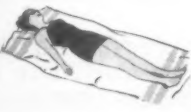



FIRST AID

for Summer Emergencies

Last year more than 10½ million people were injured by accidents—an average of one every 3 seconds. There were undoubtedly many million more minor accidents which were never reported.

Many types of injuries occur most frequently in summer. Knowing First Aid, including what to do until the doctor comes, may prevent complications and save someone's life. To help you meet such emergencies, cut out the chart below and place it in your First Aid kit. In case of a serious accident, however, it is always wise to call a doctor at once.



INJURY	FIRST AID TREATMENT	INJURY	FIRST AID TREATMENT
Cuts, scratches, or any small wounds 	Clean the wound with mild soap and water and apply anti-septic. When dry, cover with sterile dressing.	Drowning or when breathing stops 	Start artificial respiration immediately. Keep victim warm. Send for a doctor.
Minor burns 	To relieve pain, apply burn ointment or petroleum jelly, and cover with sterile dressing.	Sprained joints 	Keep injured joint raised and apply cold cloths or ice packs for several hours.
Sunburn 	Treat like any minor burn. If sunburn is severe, call a doctor.	Strained muscles 	Rest the affected muscle. Apply mild heat if needed to relieve pain. If pain persists, call a doctor.
Sunstroke 	Lay patient on his back in cool, shady place, apply ice bag or cold cloths to head. Do not give stimulants.	Ivy, Oak, and Sumac poisoning 	Wash with soap and water immediately after exposure. If redness and blisters appear, apply calomine lotion or use compresses soaked in cold baking soda or epsom salts.

If you would like to learn some of the more important First Aid techniques, ask your Red Cross about their First Aid classes. In addition, Metropolitan has prepared a booklet which describes methods of handling many injuries. To get a copy, write for Metropolitan's free booklet 69P, entitled "First Aid."

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TO EMPLOYERS: Your employees will benefit from understanding these important facts about first aid. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.

TO VETERANS—IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE—KEEP IT!

lower accident rate and longer absences due to accidents among older workers cancel each other out.

How about ability to work and produce? Top management queried individually by the committee believes that the older man has three advantages: more experience, which eliminates waste motions; less inclination towards distractions; greater conscientiousness.

However, most employers believe it is an advantage to have a system under which a man can be retired, with pension, if he should be, and many of those who make retirement arbitrary regard it as the wisest arrangement for the elimination of deadwood. From the employer's point of view, it safeguards him from having to retain all over-age employees merely because he wishes to keep on a minority.

One of the largest companies with a retirement-at-65 policy is the General Electric Company. Its president, Charles E. Wilson, says: "If there are powerful reasons for setting aside the policy, they will surely be advanced by others in the organization." He adds, "Such a policy also protects the individual against himself and against the unusual demands of the employing organization."

The vice president of a Chicago bank asserts: "As a man grows older, he becomes more philosophical, and the things that to him, at the age of 40, were crucial issues become, in later years, of relatively less importance and less worthy of dynamic treatment. The chances are most men begin to slip rapidly after 65, and those who don't are likely to become opinionated and to base their decisions on past experience without much thought about whether or not such experience fits current conditions. Of course, there are exceptional men outside of this category. . . ."

But is it true that chronological age is accompanied by physical and mental age? Is it true that the "exceptional" men are exceptions? History and our times are full of examples to the contrary.

Two of the world's greatest living conductors, Arturo Toscanini and Serge Koussevitzky are 82 and 74 respectively. Most of the world's elder statesmen are in their sixties or seventies. Verdi wrote his greatest opera "Otello" when he was 74, and "Falstaff" when he was 80. Between the ages of 70 and 83, Commodore Vanderbilt added about \$100,000,000 to his fortune. Titian, at 98, painted his masterpiece of the "Battle of Lepanto." Kant, at 74, wrote his "Anthropology,"

"Metaphysics of Ethics," and "Strife of the Faculties." Bernard Baruch, at 76, represented this country on the Atomic Energy Commission and seems as effective as ever at 78. Root revamped the setup of the World Court at 84; Edison designed, built, and operated chemical plants after he was 67. A great eye specialist in Pennsylvania is as active as ever at 85; a successful surgeon in New Jersey, who is 83, recently performed 20 operations in 24 hours. Active leaders at the bar all over the country are well beyond 70.

There are no exceptions to the rule, for the experts say there is no rule that at 65 mankind suddenly ceases to have any economic value. Aging begins at birth, and even before; and two men at 60, according to the medical specialists, can present 40 years' difference in physiological ages, one having stayed as agile and healthy as a man of 40, the other having aged to 80.

But age, real age, can be brought on by retirement. A successful New England business man suddenly developed a severe case of arthritis about 20 months before he was due

which they may be even more valuable, rather than retire them when they aren't able to do the jobs they held in earlier life: and the idea of an arbitrary retirement age regardless of fitness should be abandoned.

But the problem of the "Josh" Camerons is not simple. It is not just "Josh" Cameron's problem. Nor industry's alone. Government comes into it, too, through the old-age and survivors insurance program. Although a major social advance, the program tends to discourage the elderly from going on working by not allowing pension payments to accumulate during any period of employment past retirement age. Pensioners who want to find some minor job have many of the main avenues closed to them by a ban which forbids them to earn more than \$14.99 a month from any employer covered by the Social Security Act.

Many employers are already aware of the problem and think its solution is the joint concern of management, labor and government. These queried by Senator Desmond's committee made these suggestions:

There should be job set-asides, whereby certain jobs in plants are definitely set aside for the elderly.

A job classification survey is needed to tell employers exactly what jobs the elderly can do.

Management needs to be more tolerant and loyal to the elderly workers. "We choose and select when we hire," said one employer, "and we should do the same when we retire our workers. Some old-timers can work rings around the younger men."

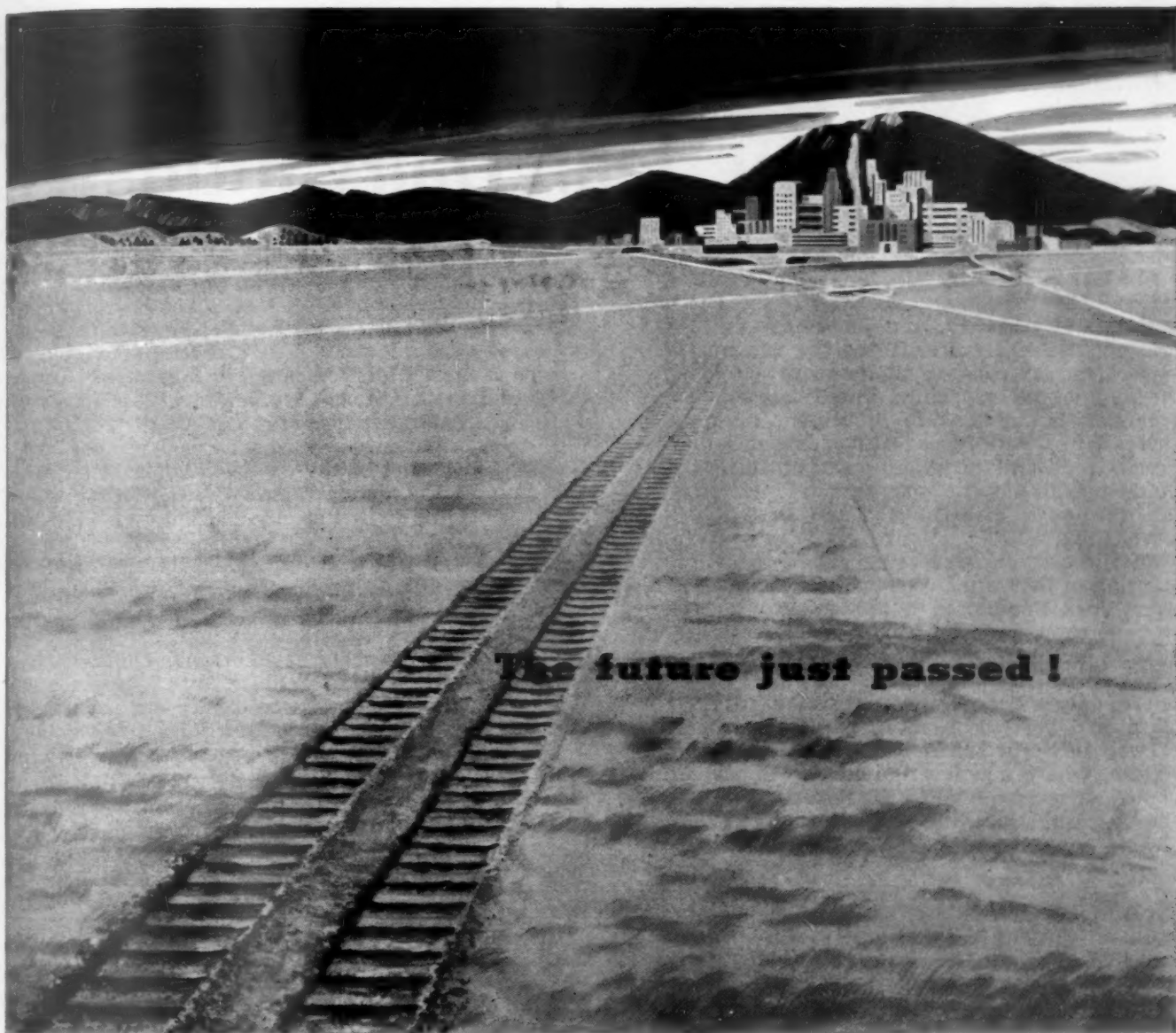
There should be a revision of the Workmen's Compensation Law to protect employers from liability for pre-existing disabilities. A New York upstate concern, which told the committee it was laying off and retiring employees more than 65, said, "A death on company time is very apt to be judged compensable. The plea of 'natural causes' is given very little attention by the referees. Since a death case costs \$3,000 to \$4,000 you can see why a man of 85 is something of a hot potato."

An industry-union program should be worked out, permitting "transmotions," "downgrading," or retention of those past retirement age. "All our men are under union contract," reported one executive, "and must do the same work for the same pay. No allowance is made for age or downgrading." Senator Desmond's committee recommends that industry,

(Continued on page 69)



to retire. Specialists said worry was the cause. Some time after he retired, he found another position and was soon completely restored to health. His case illustrates a remark made recently to a conclave of psychologists in Chicago. Meeting as the second International Symposium on Feelings and Emotions, they were told by George Lawton, a New York delegate, that American society, particularly industrial organizations, should adopt the attitude that it is best for the individual and best for society if men and women work as long as they live. Industries, he suggested, should reassign older persons to tasks fitted to their abilities in



The future just passed!

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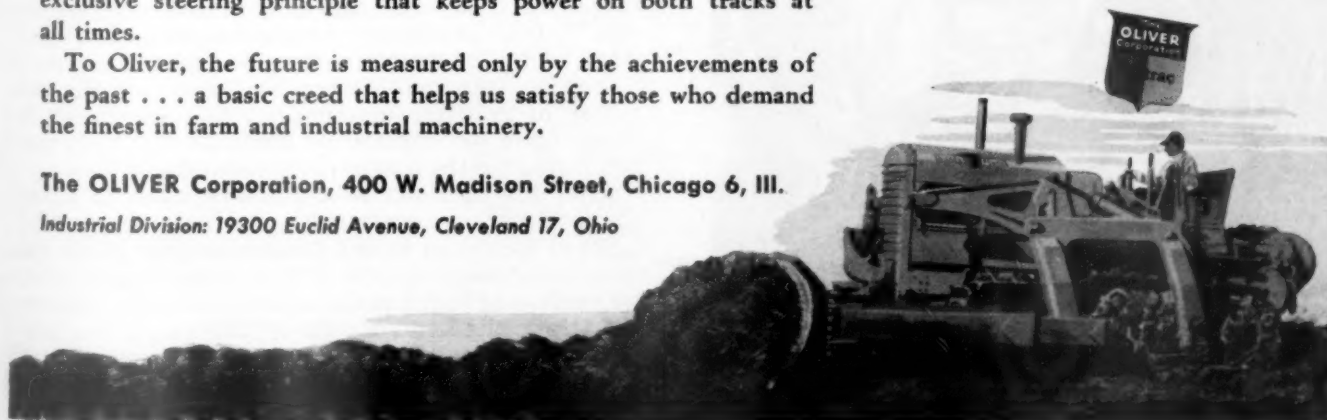
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American Dairy Industry

PALATABLE, healthy milk is as modern as the elevator and the express train. It is an American invention, just 91 years old. And, like many another invention, the whole breadth of the continent and people from every walk of life cooperated to form the roots of its beginning. The Texas war for independence, the Shakers' movement for religious expression, a Wall Street banker, immigrant ships from Europe, and the wagon trains of the California Gold Rush all played a part in enabling tall, gaunt Gail Borden to give the world its first pure, preserved milk.

The industry first met the public one February morning in 1858 when a pushcart, bearing the sign "New York Condensed Milk Company," clattered over the cobbles of New York City's Greenwich Village, its handbell tinkling an obbligato to the boom of the chimes from Old Trinity. Up past the house where, only a decade before, the legend of Santa Claus had been born in Clement Moore's poem, "Twas the Night Before Christmas" . . . on past the building where, a generation hence, Thomas Edison would construct the world's first electric generating plant . . . around the brownstone walls of the insti-

tute where Abraham Lincoln, the gaunt Illini, orphaned by the pioneer scourge of milk-fever, would leap overnight to fame through the wisdom of his Cooper Union speech . . . on over the cobbles Gail Borden shuffled that morning, tinkling the bell that ushered in the \$10,000,000,000 annual business in American milk and dairy products.

A few of the women who carried pitchers and pewter jugs out to the cart that morning stared at the syrupy, yellow fluid in the 40 quart container, pursed their lips, and turned away. Borden sighed and dug his chin a little deeper into the wool muffler each time that happened. He knew he had more than a new product to "put over." He was face to face with a revolution in public taste.

Milk, 91 years ago, was a virulent carrier of disease. Borden, himself, knew nothing about the bacteria and viruses that enabled milk to spread undulant fever, tuberculosis and plague across a city in a single day. He only knew that his own long experiments in boiling milk with sugar in a vacuum pan produced a sweet, viscous product that would not sour for weeks. Not for another generation would the French chemist, Louis Pasteur, discover that the heat used for condensation also killed most of the disease carriers in milk, while retaining the goodness in the fats, acids and proteins.

But, worst of all, Borden was fighting superstition. Most city housewives didn't know what natural milk looked like. For a half century, milk had come to them from "creameries" housed in dilapidated, manure-littered sheds beside whisky distilleries and breweries. The cows, kept in stanchions, were fed on "slops" and refuse grain that ran down troughs from the fermentation vats next door. The milk, poured into open containers in the yard, was often mixed with chalk and water in a 50-50 proportion. So, in the opinion of the city housewife, "good milk" should be a vapid blue-white.

But Gail Borden was used to opposition. His life had been a series of battles against adversity, prejudice and ignorance. Born in Norwich, N. Y., an area that was to become a center of production for the dairy industry, he followed his parents into Kentucky and Indiana on land-pioneering ventures. Professional surveyor and schoolteacher before he was 21, poor health eventually sent him to Mississippi, then west into Texas to join Stephen Austin's colony of American settlers at Galveston. He was editor of Austin's newspaper, *The Telegraph & Texas Land Register*, wrote the editorials that rallied forces for the campaign against Santa Anna.

After the Mexican War, Borden began to study the food problems confronting the immigrants who trekked westward to the California gold fields. He invented a meat-and-flour biscuit that would keep for years, and began peddling it to the wagon trains.

A trip to the London Fair of 1851 won a blue ribbon for his meat biscuit, and hope of orders for it from British military establishments and colonists in Africa, India and Australia. Sailing home on a



schooner carrying 100 immigrant families to New York, he watched the burial of several babies and children at sea...so reached his resolve to develop a means of preserving milk.

Repeated failures, rebuffs, bankruptcy filled the next seven years of his life. The Shaker colony at New Lebanon, N. Y., gave him shelter for a time; leaders showed him the vacuum pans they had developed for processing sugar. Here, boiling down batches of fresh milk with sugar, he developed the syrupy, golden fluid he named "condensed milk." It took another three years to convince the federal Government of his rights to a patent on the process. A chance meeting during a train ride with Jeremiah Milbank, New York banker, won him the backing to build a plant at Wassaic, N. Y., and organize a company in the fall of 1857.

Success came slowly

HE was 57 years old, a beanpole of a man with crow's-feet of worry creasing his cheeks, the morning he pushed his first cartload of condensed milk through the Greenwich Village streets. Stooped, peering nervously from door to door, he plodded on. In time, he would learn, the chimes of Old Trinity portended final success and personal peace. A crusading journalist named Frank Leslie would give him encouragement and open new markets for condensed milk later that year by running an exposé, in *Leslie's Illustrated Weekly*, of the "blue milk" yards. Leslie would extol Gail Borden's product as the only "clean" milk sold in the city. Army contractors would order thousands of cases of condensed milk for Union troops during the Civil War. Abraham Lincoln would serve it at dinner parties in the White House. Borden, himself, would retire to Texas.

In time, the filth of the "blue milk" dealers would be ended everywhere. Pasteur, using heat in another way, would invent "pasteurization" and enable the same health standards for fresh milk as those assured for the condensed product. Babcock, DeLaval, Kraft and others would open new realms of industrial processing for the dairymen. Borden's own firm would grow to an industry doing a business of approximately \$600,000,000 in dairy foods and associated products. Dairying would become a business providing every American with 811 pounds of milk and cream a year. —ROBERT WEST HOWARD



Ever watch
a railroad's eyes
light up?

You've watched the lights — green, yellow, red — which control the traffic on our city streets. But have you ever watched the "eyes" along the railroad tracks — from which the highway signals were adapted — light up with their messages?

On the railroads, the red — or horizontal signal position — says "Stop." The yellow — or diagonal position — says "Reduce speed and proceed, prepared to stop at the next signal." And the green — or vertical position — tells the engineer when the track's all clear ahead.

But these three basic messages of the signals are only "baby talk" compared with what they tell when two or more colors — or signal positions — come up simultaneously and in combination. Then, they not only tell the engineer what's ahead for two or more "blocks" of track, they also tell him how to handle his train until the next signal gives him more news of the traffic situation up ahead.

The trains themselves, as they pass along the line, cause the signals to report their positions to following or approaching trains. In many systems, indeed, they do even more, for they report also to the train dispatcher, watching

his illuminated control board maybe a hundred or more miles away, just where each train in his district is, minute by minute. The result is that trains can keep moving — steadily, safely, spaced the proper distances apart.

These signal systems installed on busy railroad lines are but one result of the unremitting search for ways of improving every detail of railroad service. They are but one reason for the railroads' unsurpassed record of safety. They are but one factor in the constant improvement in efficiency with which the railroads are meeting the challenge of today's high costs — with rates which, in relation to the prices of the commodities transported, are lower than they have been since before the first World War.



Listen to THE RAILROAD HOUR

Every Monday evening over the ABC Network.



Stockpiling Skill for the Future

(Continued from page 45)
contests. Robert W. Henderson, head of the Engineer Group of the Atomic Bomb Project at Los Alamos, N. Mex., went through college on a Craftsman's Guild scholarship. So did Joseph Olafson and Lawrence Drebert who teamed up later, in Toronto, to design the horizontal milling machines that enabled Canada to maintain production in vital industries during World War II.

Results of a scholarship

AND, from the files of a midwest chemical firm comes a totally different peacetime story of achievement. A pipe-fitter in one of their plants was ingenious, rambunctious and a "natural leader." Never educated beyond grade school, he listened to the blandishments of labor agitators, then took the leadership in organizing the firm's plant. Yet his victory did not dull his powers of observation. One day he walked into the front office to announce that he was "fed up" with some of the union methods of handling labor relations. He wanted a loan from the firm's scholarship fund to finance him through college so that he could get a clearer picture of "just what is going on." The grant was made, with hesitation. The young organizer disappeared, to show up three years later with a college degree and an application for a job in the firm's labor relations department. A job was given him, again with reluctance. Rapid promotion followed. Today, he is assistant personnel manager of one of the firm's largest eastern plants and, in the words of his superiors, "doing a sparkling job for us."

More mundane, but equally applicable to the over-all theme of "dividends for everybody," are the case histories of young engineers in the employ of Westinghouse Electric Corporation. The graduate student program maintained by the firm has enabled employees to study graduate-level subjects. More than 150 of them have achieved master's or doctoral degrees. Similarly, Westinghouse's famous Science Talent Search has sent 240 young men and women off to college during the eight years of its existence. Though the oldest of these winners is 26, and the majority had wartime interruptions, more than 100 have earned their undergraduate

degrees, more than 50 will have master's degrees by this June, and a few are already Ph.D.'s. Representatives of this group are at work on atomic bomb, cancer, radar, underwater acoustics, new medical drugs and other research projects.

And, as an official of the firm told me, although the Westinghouse Educational Program pays for more than 100 college scholarships, 38 fellowships, and five professorships annually, "Westinghouse does not expect to employ a large share of these people. Probably it will never be as high as 50 per cent. To date, it has been much less. Some enter specialized fields foreign to us. Some find opportunities in other sections of the electrical field. We expect, and hope, that a good percentage of them will enter the teaching field."

This attitude at Westinghouse, echoed in the educational departments of du Pont, General Electric, United States Steel, and other big firms, is indicative of the change in perspective that has taken place within the past few years. The du Pont fellowships in chemistry were

started in 1918 "during a severe shortage of chemists, presumably in the hope that any stimulation of interest in graduate work in that field would tend to increase the supply of well-trained chemists and indirectly benefit the sponsor." Similar interest in specialization motivated the 65 firms who were underwriting college scholarships in 1929, when the first general survey of this pioneer field was made by the National Research Council. That year, a total of 95 fellowships and grants were available in all American industry... and the raw brain power of every high school in the country drifted willy-nilly into the world—a few toward college—many toward the blandishments of the parlor-pinks and the soapbox spellbinders.

Today the potent, and growing, awareness of the need to "tool up" that brain power for the good of industry and the cause of democracy is opening a great, new realm in industrial public relations or, as many industrialists rightfully call it, "human relations." The first widespread sampling of these potentials was made during the past four years by the Pepsi-Cola Company though the concern's Scholarship Fund. Although the Fund was forced to curtail its program



"Time to wake up and start hating yourself, dear"

at the end of 1948, due to an unforeseen financial situation within the organization, the scholastic pioneering of John M. Stalnaker, director, and his staff convinced both educators and industrialists that the field has only been scratched.

Last year, 15,000 high schools were entered in Pepsi-Cola's competitive examinations. In each school, seniors nominated class members they regarded as "most likely to succeed in life." Winners were entitled to take the Pepsi-Cola examination, under the supervision of teachers appointed by the home schools. State-wide examinations followed. College scholarships were given to the two finalists of limited financial means, in each state, who scored highest on the aptitude tests of the College Entrance Examination Board. These college board scores, a national educational standard, are reported on a scale from 200 to 800, with a mean score of 500. Of the 130 Pepsi-Cola Scholarship winners in the 1947 finals, only one scored below 600 and 31 scored at or above 800, the top score reported by the college board. The majority scored above 700, which placed them in the top 2½ per cent of the superior group of students who take college board tests. This is the type of "raw brain power" sent out to listen at street corners and sop up lopsided prejudices, if a scholarship program doesn't happen along with the funds to send the young people through college.

Better citizenship

WITH the new teamwork between industry and education marching ahead as it has marched in recent years, new high levels of citizenship can be achieved in America; many of our present misunderstandings between town and industry, executive and worker can be solved.

Over on the campus end, educators are doing their part through the evolution of new courses in Democratic Behaviorism, in Personality Development, in Industrial Appreciation, Labor Relations and Community Development. As the trend makes headway the breach between our national skill in technology and our national weakness in human relations can be closed, and a new broad highway for cooperative achievement of world democracy opened. The 2,000 industrial guests in American colleges this year are pioneers of this new day in human relations.



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WHEREVER THERE'S BUSINESS THERE'S

Burroughs



What the Farmer Wants

(Continued from page 31)

bitter repetition of that long trip to town to admit the past year's failure—to ask once more, in a voice unaccustomed to pleading, for the chance to try again in the spring—to repeat that eternal phrase which begins, "Next year, maybe if. . ."

Finally the day came when Henry Gerken could not even pay the interest on the money he owed, to say nothing of the principal. And that condition existed for three years, three of the longest, most hopeless years in the Gerkens' lives.

Just why they didn't lose the farm during that period is not quite clear to them even today, although farms were a drug on the market in those days and many a creditor decided it was better to gamble with a good farmer who loved his piece of land. And there were other reasons, including the Gerkens' reputation for being in the fields before sunup and still hard at work after dark.

Still, the shadow of foreclosure hung over their lives from the middle '20's to the late '30's, when they finally refinanced their remaining debts and began to "see light for the first time in 15 years."

Lowest ebb came in 1932 when, to stave off creditors and get a few dollars for cooking and clothing essentials for the family of nine, Henry loaded 50 hogs and hauled them to town to take what he could get for them. Charlie, 14 at the time, says he will never forget that day.

"Fifty of the fattest hogs you ever laid eyes on they were. Averaged maybe 250 pounds apiece. They sure looked pretty. . . Then Dad came home and said he'd gotten two cents a pound for them—\$5 a hog. Two hundred and fifty dollars for the whole lot! It wouldn't even put a dent in just one interest payment!"

Fifteen years later, Henry Gerken sold an almost identical bunch of hogs for more than \$3,000. But in 1932, even corn was going begging at ten cents a bushel.

Next year, with the advent of the Roosevelt Administration and its agriculture programs, things began to look up slightly, but it was a slow

and gradual process. Not until 1936 could the Gerkens buy their first tractor—they called it their "Triple-A tractor" and still have it today. Other equipment followed, piece by piece, and once again the emphasis was on farm improvement.

Ten years ago, the Gerkens refinanced what was left of their outstanding debt at three and one-half per cent—and discovered what many another farm family suddenly was finding out: Already they had paid more than twice the original price of the farm and still it wasn't clear.

Figure it out yourself. . . Twenty thousand dollars at six and a half



and then five per cent for 20 years. . . . Eight thousand at seven per cent. . . . The lost years of no payments with the interest doubling up until you're paying interest on the interest!

Technically, the farm cost them \$140 an acre in 1918. Today, with the soil in tip top condition and with all the improvements, they could get \$200 or \$225 an acre for it. But through the years, Henry Gerken has paid more than \$300 an acre—more than \$60,000 for that farm.

Nevertheless, the important thing is that today the farm is paid for and the Gerkens have money in the bank. At 65, Henry is as wiry, as straight-backed and as hard-working as he was 30 years ago. With tractor, electricity, milking machine and the like, he and Leo

run the farm alone. Even today, his steel-trap jaw clamps a little tighter on his cigar (which once would have cost him half a bushel of corn) when someone talks about the "good old days," but he doesn't say much.

Only slightly younger than her husband, and still pretty, Kate Gerken now has all the things in her kitchen she dreamed of for so many years. There are fluorescent lights, an electric range (although she still keeps the coal range, too), electric refrigerator, washing machine, iron, water heater, toaster and waffle iron. The neighbors always said that "you could eat your dinner off Kate Gerken's kitchen floor," but it's easier to keep it that clean nowadays.

There's a large freezer in the basement, a shower and a tub in the bathroom and even an electric blanket on the bed upstairs. (They still chuckle about that, because when they bought it three years ago, they crossed the dual controls at first, and Henry cut off all the heat on Kate's side of the bed when he got too warm, and then Kate, getting cold, turned her control on full blast—which promptly bathed Henry in sweat on his side of the bed!)

All those things, however, have come in the last four years, since they got the power in through the Rural Electrification Administration.

Ask Henry about REA, and he'll tell you how the privately owned power line passed within a quarter-mile of their house for years, but the utility wanted to charge him \$1,000 for the privilege of buying its power.

"In order to buy their refrigerators, their stoves and all the other gadgets, so I could use their electricity, I would have to pay them \$1,000," Henry explodes. "Even when I had the money, it didn't make sense. So the REA came along and Charlie was grown up and he went to the meetings and helped with the planning and pretty soon we had electricity. We pay for the power, all right, but we didn't have to pay for the privilege of becoming customers."

With that in mind, it's perfectly clear why Henry Gerken was super-sensitive last year to charges that the Republicans planned to sabotage REA.

He figures it doesn't cost the country any money in the long run,

and he knows what it did for him and his family.

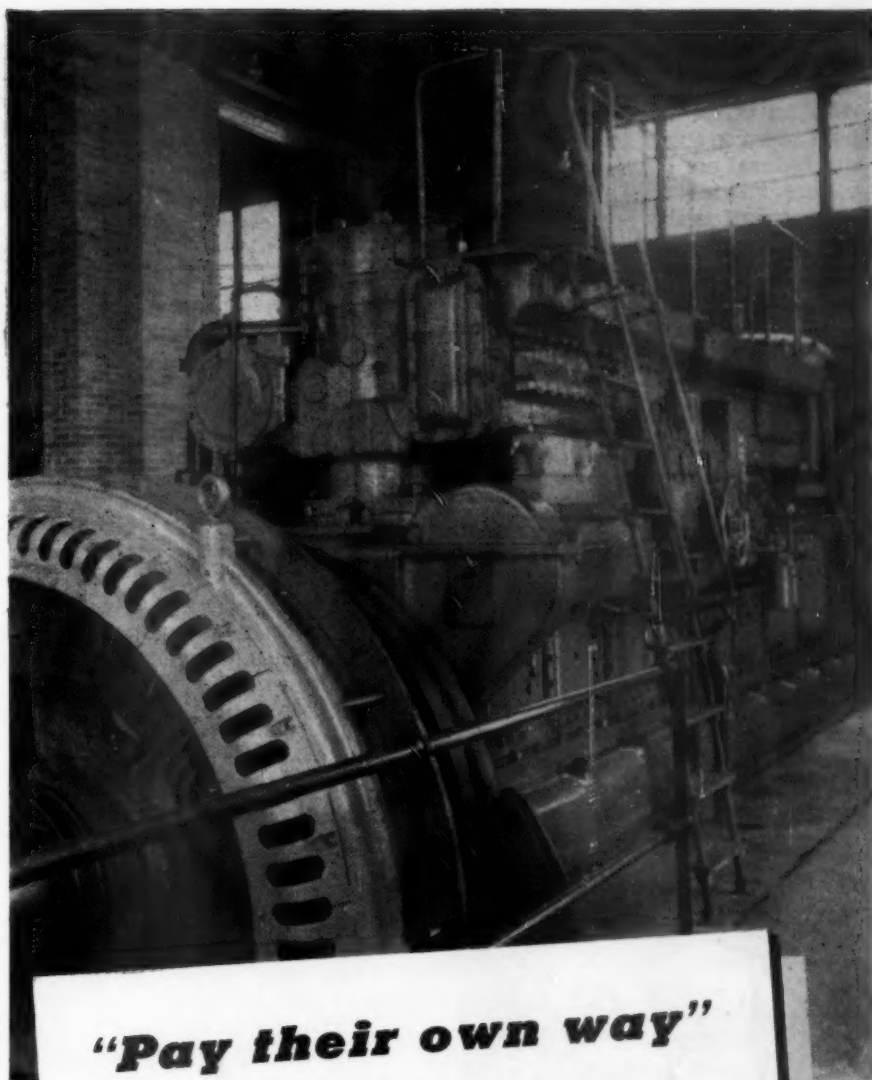
All of which brings us back to Henry's opinions about what the farmer expects from the Truman Administration. Generally speaking, he goes along with the Farm Bureau on proposed legislation. He's been a member ever since there's been a Farm Bureau in Delaware County, and he thinks it has done a world of good for him and other farmers.

He believes farm cooperatives should be encouraged, although some business men in neighboring towns don't agree. He thinks soil conservation and crop rotation education should be continued, and all those things require enabling legislation. (Although he has only an eighth grade education, Henry has been so progressive in his farming methods that agriculture experts from the University of Iowa at Ames have turned to him several times for advice and help.)

He goes along with the Farm Bureau, the Grange and others on proposed flexible price supports ranging upward from 60 per cent of parity—and Henry knows the meaning of that much misunderstood word. To him, parity is simply a fair relationship between what he pays for a plowshare and what he gets for a bushel of corn. Expanded to fit all farm products, that's parity, and Henry figures its old 1909-14 base has needed modernizing for some time. After all, the machine age is here for the farmer, too, and he needs more cash to power his farm than he did 35 years ago.

But he's opposed to a fixed price support system based on 90 per cent of parity and depending on rigid production controls to prevent surpluses. For one thing, he doesn't think the rest of the people in the country would tolerate such an outright heavy subsidy for too long a time. For another, he thinks it would encourage an influx of lazy or profiteering sharpsters who would "ruin the land and wreck the farmers in the long run." Finally, he thinks federal production (or acreage) control was an emergency measure but no longer needed, largely because now most farms in his area are owned by the men who run them—men who he feels know better than to hurt the soil or wreck the markets by quick-cropping for a killing.

(Here again, thousands of farmers disagree with him on the heated issue of high-fixed vs. low-flexible price supports. But if one month's survey by a former farmer is any



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criterion, those who disagree are still at least slightly in the minority in the midwest. And even those who advocate the high-fixed support seem to think the accompanying federal controls are needed for others rather than themselves!)

Internationally speaking, Henry favors our foreign-aid programs as helpful in building up future mar-

kets, as well as neighborly in feeding the hungry and practical in fighting communism. He thinks such measures as the once-defeated International Wheat Agreement, with its guaranteed five-year world market for 185,000,000 bushels a year, might well be the solution to other farm surpluses in future years.

Henry epitomizes what he thinks happened among the farmers at the polls last November with a single example: The case of the Republican Congress and the proposed extra storage space for bumper crops.

Sparked by Agriculture Secretary Charles Brannan, Democratic campaign speakers through the middle west charged that the Eightieth Congress had refused the Commodity Credit Corporation authority to obtain storage space for record-breaking crops. And they marshaled enough facts to make it a mighty damning case, coming at a time when the biggest corn crop in history already was overflowing the cribs or being force-sold far below the support prices.

Now enters the curious psychological factor: Henry Gerken says he does not want the Government building corn cribs for him. Temporary or permanent, he'll build his own. Most other farmers say approximately the same thing. But Henry viewed the incident as an example of the Republican Party's unfriendly attitude toward the farmer. (Justly or unjustly, plenty of Republican farmers go along with Henry in holding the G.O.P. responsible for those bleak years which still rankle in their memories.)

That's why Henry believes the farmers were not voting to get something specific and extra that they wanted, but rather were voting against the possibility of having their only recently improved standard of living ripped out from under them.

And Henry, who has run the farm economic gamut from the bottom ten per cent to the top ten per cent in some 30 years, knows just how much that living standard means.

"But that's what makes it hard to say what the farmer wants from the Government now," Henry says, lighting a cigar and then sitting and studying the burned kitchen match for a long moment. "He wants a continued understanding of his problems but not so much interference in his work. But mostly he was voting against what he didn't want, rather than for what he did want. Now, it may take him a little time to figure out just what he does want. It would me."

Then he grins and relaxes in the sitting room chair.

"You know, if things go all right and they leave him alone, he probably won't even bother trying to figure out what he wants," says Henry Gerken. "He'll be too busy getting in the next crop."

Better Farm Relations

TEN YEARS ago, Altus, Okla., was a none too prosperous agricultural city on the edge of the old dust bowl. There were no mines, industries or tourist attractions nearby and merchants and professional men as well as the farmers in the region were dependent on the soil.

In the past decade the



population of Altus has more than doubled. But the town's growth was not caused by any boom. Lack of coal and raw materials still served to discourage manufacturers from settling in any numbers and the town was content to go along at its own pace.

One day at a men's club luncheon Preston E. Peden, a young law student who later was to serve in Congress, made a speech urging that thought be given to improving rural relations. He told how new machinery was revolutionizing farming, how farmers'

sons were returning from agricultural colleges with advanced ideas.

Many towns serving farmers seemingly were unaware of the change—were doing little or nothing about it. Peden's idea was to make the farmer and his family an integral part of his town's life, not leave them just Saturday customers. Other club members saw the logic in the suggestion and soon a rural relations committee was organized. The local chamber of commerce and other civic groups got behind the program.

Farm leaders were invited to join clubs. When various community drives were launched, farmers were invited to help run them, as well as to contribute. Farmers soon took their places on civic committees of all kinds along with the town's business and professional men.

It was not long before the rural people began to feel that they actually were a part of Altus. Today business men and farmers are quick to admit that much of their prosperity can be traced to the all-for-one and one-for-all effort.

One civic leader expressed the sentiment of all recently when he said that what Altus has done can be done in any agricultural community if business and professional people will realize that the farmer has grown up. The only thing that must be kept in mind, however, is that rural relations is the job of everyone in a town.

—JOSH M. DRAKE, JR.

The Store that Gets Around



A NEW, faster way of spreading paint—in Milwaukee, at least—came into being when one of that city's paint dealers practically put wheels under his store.

Orwill Haberman originated the idea of a mobile paint store while trying to solve a problem that faces every painting contractor once in a while—how to save the valuable time that is lost rushing to a dealer to pick up needed materials to finish a job. His mobile unit now cruises around Milwaukee County.

A mobile radiotelephone, to speed up communication between the driver and the Haberman store or its customers, is the key to the prompt delivery offered. The well-stocked rolling service carries some 200 items, including a complete array of brushes, putty knives, exterior and interior paints and scrapers. A contractor need only call the truck direct to have the required goods in his hands within a matter of a few minutes.

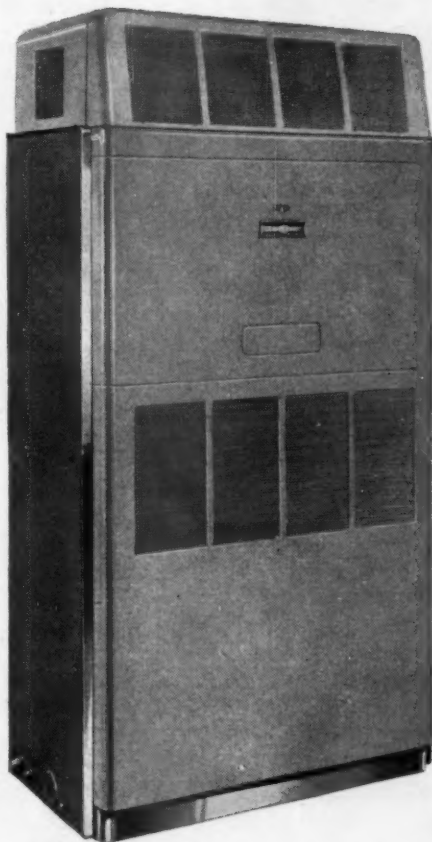
If a call is made to the truck directly while the driver, the vehicle's sole occupant, is talking to a prospective customer, the operator logs it, and the driver can return the call when he is free.

The mobile store, which Haberman believes to be unique in his part of the country—if not in the nation—is proving a valuable time-saver to customers and is boosting business for the originator.

—C. J. PAPARA

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Erie's 7,000 Angels

By
WILL OURSLER

THERE'S a new kind of drama being enacted far from Broadway—a new, postwar brand of American theater which, according to some of Manhattan's top critics, will one day rock the real Broadway to its glittering roots.

Utilizing young actors and actresses fresh out of leading drama schools and universities—this “hinterland drama” is turning out sleek, professional productions of new shows and recent Broadway hits, at incredible “small town” prices.

In Erie, Pa., heart of this renaissance, I chatted in a theater lobby with some of the “angels” of this new drama, backers and supporters of Erie's highly popular—and entirely nonprofit—Playhouse. They were business men, storekeepers, salesmen, factory workers and their wives and sisters and friends.

“So you're writing up the Playhouse?” one mill worker queried. “Well, listen—we used to be the worst show town in America. People here work in factories mostly. We never thought of ourselves before as theater-goers. Now it is different. Now the Playhouse

is something big in our lives—” “But it isn't like New York,” his wife broke in. “Oh, the shows are good as you'll find. But this theater sort of belongs to us. We're the backers—”

Everywhere you turned in the city you heard the same story. Shopgirls and executives, housewives and teachers and bus drivers, all claimed the Playhouse has be-

Executive committee catches a rehearsal. Left to right, John Miller, John DeVitt, L. Newell Tarrant, and R. P. Price



HELEN COTTRELL

come something vital and meaningful in the lives of Erie's people.

The facts bore out the claims. A unique combination of business men, professional artists and the public working together for the community benefit is setting a new fashion in popular dramatics which is already being picked up in other communities across the country.

Civic leaders in other medium-sized cities are writing for information. They remember Erie as the laughing

stock of the theater, when the proudest boast of *Abie's Irish Rose* was the line: “Twelve nights in Erie.” Now they are asking—how can they start theaters of their own, on the “Erie pattern,” avoiding the raw efforts of average “little theater” amateurs or the tired routines of small town stock?

Presentation of popular plays is only part of the program. There is

also the "Drawing Room Theater," experimental plays put on by staff members in their spare time, in the large rehearsal hall over the Playhouse.

And there is a Children's Theater, which gives Erie small fry a chance to study under professional staff members.

The main idea is not to develop any Shirley Temples, but to teach the youngsters poise and self-expression.

Or again, the Tributary Theater, a special sideshow activity by which staff members are loaned out whenever local amateur groups are staging a production of their-own and want help.

The staff is a kind of kaleidoscope of talent. Each season some move on to "big time" jobs in New York or Hollywood. And each season, new talent moves in.

"Playhouse Week," when the annual membership drive is launched, is a major event of the year. Virtually the entire city participates. The mayor issues statements in the press and on the radio. Newspapers run editorial appeals. Business firms join in running full-page ads urging support. Flying squads of more than 600 volunteer campaigners make block-to-block, door-to-door appeals.

Each seasonal membership costs \$2 and entitles all members of a family and friends they bring along to buy tickets at from 75 cents to \$1.25. No tickets are sold to nonmembers who come in by themselves, unless they are out-of-town visitors.

"Those members—they're our only angels," I was told by L. Newell Tarrant, the theater's restless, driving young managing director. "We don't take subsidies—or big gifts with strings attached. But with a 92 per cent break-even point, based on box office prices, those \$2 'angel fees' are what keep us afloat. Only these angels can't walk in and tell us whom we have to hire or fire."

But the angels still take their job seriously. While few try to make demands, they think nothing of calling up one of the theater officials to sound off about what they like or don't like.

"That girl in the show the other night—the one who played Dotty," some man will call up to say. "Maybe she was good, but how do I know? I couldn't hear her. Don't you think you ought to make her talk louder?"

Or they phone or write in with praise. If a performer does an outstanding job, the phone will be ringing for hours the next day with

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complimentary messages, or to ask some of the company to tea.

"They're all in it, you see," Tarrant explains. "They're part of the show."

All this activity makes Erie really theater-minded—so much so, in fact, that the two local papers have had to add drama critics to their staffs—serious young men who review the shows with candor as crisp as anything found in the New York dailies.

"When they pan us," Tarrant admits, "we get hurt. But in the long run it's worth a lot to us. People know they can trust the reviews. When we get raves—we pack 'em in."

Letters rolling in from distant communities are full of questions. How did they get started? Is the Playhouse actually nonprofit? How do they operate? Where do they find their talent?

Actually, this venture into nonprofit professional theater started in a moment of grim crisis, almost a decade past. Erie for some years had had an "amateur theater," founded and directed by Harry Vincent, handsome and brilliant impresario and patron of the arts. The amateurs twisted through a varied history over the years, since they first launched their plays in empty lofts, with a barrel at the door for customers to drop pennies in. In the lush years of the late '20's, Vincent managed to col-

lect and borrow enough cash to achieve his great dream—the building of the Playhouse Theater. But by the time the doors were ready to open—the market crash was ringing down the curtain on prosperity.

From the first moments on, through the rocky '30's, the Playhouse plunged downward. Money was tight, and people had come to think of the theater as a somewhat social enterprise for the arty folk. Ordinary citizens stayed clear.

By 1937, the "private club" theater owed everybody. Printers and painters and hardware men were clamoring to be paid. And the bank—holding a \$15,000 mortgage on which not a cent of interest or principal had been paid—was ready to move in.

Saving a theater

IN THIS moment of crisis five Erie business men got together over a luncheon table. They knew nothing about theater business. But all felt the theater was important to Erie and ought to be saved. They were an oddly assorted group; a lawyer, an expert in paper production, an advertising man, an accountant, a plant manager. They had no thought of starting a new kind of drama.

They were business men, trying to use business know-how to put the Playhouse back on its feet.

Harold Wilson, the advertising man, pointed out the need of selling the idea to the public. Financial expert John DeVitt—today assistant treasurer of the Hammermill Paper Company—said "put the Playhouse on a solid, self-supporting basis." Production expert "Tom" Price—a vice president at Hammermill Paper—insisted on improving the product. "We have the best director in the country! What he needs is help and support from everyone. We've got to bring in professional talent with ability—not amateurs who have several jobs to handle and who show up when they can. We've got to get regular schedules—" Mortimer Graham, the lawyer, discussed the legal side—action to take over the theater's debts and set up a nonprofit corporation to carry on Playhouse activities.

The result was formation of a new Playhouse Association with these five as incorporators, actually the owners, serving as trustees for the public.

First business on the agenda—the job of straightening out Playhouse debts—was handed to John DeVitt. A genial dynamo, DeVitt launched into a whirlwind campaign.

He collected enough ready cash from friends to hold off the bank, at least for the moment. That accomplished, he persuaded other creditors to accept 40 cents on the dollar on all past debts, with the promise of straight cash in the future. Then he went to the bank, informed startled officials that their interest rates of six per cent were too high. "This is a civic responsibility. You ought to cut the rates to one per cent."

Before the bankers could muster their protests, he hurried on. "Besides, you're in show business now. If you want anything back, you'd better play ball."

Adamant at first, the bank finally agreed to two per cent. Other creditors fell into line also, newspapers and radio stations, hardware stores and paint shops.

If the theater were actually being turned into something for the people—Erie's business men would lend a hand.

But the big job still remained—that of selling the idea to the people. The five incorporators called together, at a dinner in



HELEN COTTELL

The children's theater class in creative dramatics runs through a scene in the foyer. Virginia Stevens, director, is at the right

the YWCA, a group of Erie citizens. "They were all people with what you might call civic souls," John DeVitt told me. "People you could count on when something needed doing for the community."

None of them knew what was coming, until Tom Price started talking. He told about their plans. The Playhouse from now on would be for the many—not the few. A center of entertainment, not of propaganda or education. A popular theater—with art put on a sound business basis.

"Erie people will support a theater—once they know it's designed for them. They've got to learn that it is their theater—that they've got to support it. That's the selling job you've got to do."

The campaign was like nothing Erie had ever seen before. Under

light, modern comedies during those first weeks of reconstruction, to bring in the public, to let the word spread that the theater was actually a place where people could laugh.

Then, in 1941, came two sledgehammer blows. Harry Vincent died, and the war came. They closed shop for the duration. The board sent out notices that members could pick up refunds of their dues at the bank—or leave the money if they wanted, to help defray expenses during the war. Only a handful of the thousands of members collected their \$2.

Late in 1946 the Playhouse reopened, brought in Director Newell Tarrant, and started the new "Erie pattern" of drama rolling in earnest. The Playhouse was on its way.

Tarrant is easily the hardest working man in Erie. He carries on a dozen jobs at once, directing shows, choosing the cast, selecting new plays with the help of the incorporators and the advisory board of directors, running the subsidiary activities of the Playhouse and overseeing the box office.

Policies—set by the incorporators—are simple. The Playhouse is to deliver what the people want, under the idea that the customer is always right.

The only censorship is self-imposed. "If a play's worth doing, we'll do it," DeVitt declares. "But we don't forget that we're a family theater."

The theater today is solidly established in the community, and main activity is devoted to improvement of productions and development of new talent.

"We're not only trying to develop actors but also writers and designers," Tarrant explains. "No theater can live which doesn't develop its own writers."

Most attention is given, of course, to the acting staff. With the company now functioning smoothly, almost all new actors and actresses are brought in under a "fellowship" and "apprenticeship" program. The fellowship plan gives an actor eight weeks of work and training at the Playhouse with a stipend of \$35 a week. About 15 are brought in at various times during a season, most of them from leading schools and colleges.

"It's a kind of postgraduate course for us," one young "fellowship" actress told me. "We get a chance to try our wings, to find out in actual professional work whether we've got what it takes."

Apprentices—of whom four or five are taken a year in the acting,



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A Reply to Fellow Travelers

They then proceed in argument as if all those who disapprove of their abuses must of course be partisans of the old; that those who reprobate their crude and violent schemes of liberty ought to be treated as advocates of servitude.—Edmund Burke

pressure of the "salesman," on the march from door to door, the drive took on the fervor of a crusade.

Newspapers and radio stations and public officials joined in. Suddenly the theater nobody cared about became the bright symbol of civic pride around which everyone in the city rallied.

Memberships at that time sold at \$1 each. Within a few days the drive had brought in \$1,500 in memberships sold. It was a start for the new regime.

In those first days, building the acting troupe and setting a schedule was a rush job. Some of the actors came out of stock companies—most were youngsters fresh from university drama schools. It was, as one reporter put it, a remarkable situation. Everyone had to learn together—cast, producers and the public.

Many of the new members—the angels of early days—were going to the theater for the first time in their lives. DeVitt recalls how on one occasion a worker from his own plant came up to him in the theater and shook his hand.

"I want to thank you and the others who made this possible," he said. "This is the first time my wife and I ever saw a real play."

They kept almost entirely to

technical and business departments, are allowed to work in the theater for one full season, but at their own expense and with no payment of any kind.

The majority of the regular company, however, originally came into the Playhouse on fellowships or apprenticeships. Hundreds of applicants for these awards pour into the Playhouse each year. Drama professors at Iowa, Washington, Northwestern, Carnegie Tech, California, and scores of other institutions, send in candidates.

No applicant is ever taken without a personal interview. Tarrant tours thousands of miles each year, meeting and talking with the most likely candidates culled from applications.

"When they come here, they become part of the town," Tarrant points out. "They have to fit in. They have to be the right sort. The temperamental type—the hooligan type—won't last long."

All players live in the city, in furnished rooms and apartments. Although still regarded somewhat as "birds of rare feathers," they have long since been accepted as part of the community. When the community chest charity drive is on, or the Red Cross or some other charity appeal, members of the company are always ready to serve. If a high school needs help on a 'teen-age show, the Playhouse leading lady of the week lends a hand.

But there is still enough glamor about the stage to cause a flutter when one of the actors or actresses walks into a local hotel lobby—or a beauty parlor—or is seen shopping for a new dress to be worn in next week's play.

Local talent finds a part

QUITE often, when there is a part that fits, local talent is used. Up the street from the Playhouse is a clerk in a hotel, an old-time actor named Jack Gordon, who once toured in shows with Eugene O'Neill's father. Old and gray now, he puts aside his hotel register for a few hours of an evening, and dons grease paint again, whenever they need him for a special role. His biggest smash of recent seasons was the role of the senator in Erie's production of *State of the Union*.

There are other old-time professionals, too, in the community, men and women who played in stock and road companies in younger days who will relish the chance to get back on the boards

when needed in some character bit.

Utilizing local talent in this way is one more method of making the people of a community an actual part of the Playhouse and its work.

Playhouse seasons run through fall, winter and spring. Shows usually last about two weeks, although a few have been cut short by bad notices from Erie's critics. Longest run was achieved by "I Remember Mama," which played to crowded houses for almost a month.

Players work a full day—and often a seven-day week—rehearsing one show during the day and playing another at night.

Dress rehearsals are always given before an invited audience of local student nurses and oldsters from veterans' homes, for whom these performances are gala events.

They still find comedies go best with the general public. "And that's what we give them, as far as

possible. One week it'll be *Dream Girl* and the next—well, maybe it's Shakespeare, but it'll be *Taming of the Shrew*, not *Macbeth*."

The evening I was leaving Erie, I stood in the theater lobby, chatting with Tarrant, John DeVitt and Tom Price. "You can talk all you want about highbrow culture and arty-arty stuff," DeVitt remarked. "But our job here is—entertainment. Giving people what they want."

Beyond him, on the wall, I could see the theater's gilt-lettered motto: "This building is dedicated to the making of happiness."

The words seemed to take on new meaning. In a world where too many groups are formed for the spreading of hatred and fear and chaos, this simple concept of people working together to build happiness in their community seemed to stand out as a startling—and rather magnificent—goal.

Conditions Worker to Job

JASPER GOLDIBUCKS (not his real name) had a new girl on his payroll. She was a rapid typist, an accurate transcriber, and on running up bookkeeping items she was a whiz. But in dealing with customers and fellow employees she had a silly giggle that grated on Jasper's nerves. While this particular defect may not have been a serious offense on some jobs she might have filled, it created an embarrassing situation in the position she was holding. It was one of those personal faults the average employer hesitates to mention.

But it so happened that Jasper's new secretary had taken her pre-job training at Nashville's Hume-Fogg Technical and Vocational High School. Mrs. Elise Fuston, who teaches the "related class" of that school, came around to check up on her. "Just keep her on the payroll," she advised, "and I will train this fault out of her." Under Mrs. Fuston's tactful direction the girl overcame her giggling habit and another Nashville employer was made happy.

To many such executives this class is the best thing that ever happened in a manpower dilemma. It is a coordinated school-employer training service. Under this system the student completes his or her business or vocational course in the regular way. Then, before being granted a graduation certificate, the student has to get a part-time job somewhere in or near the

city in the line of work for which he was trained. He spends the forenoon at school and afternoon on the job. This is the "conditioning" period in which Mrs. Fuston works with the employer to correct any faults that may arise in the new employee. After the adjustment is satisfactorily made, the employee receives his graduation paper.

Mrs. Fuston checks with an employer at intervals to learn what weaknesses may have cropped up in an employee. The employer has a check sheet on which all important phases of the student's work are listed, such as punctuality, willingness to help others, personality, unpleasant mannerisms and courtesy.

At the forenoon school period various defects are dealt with before the class as a whole and with each faulty pupil individually.

One girl talked too much. In another case the employer complained his new girl didn't have a sense of humor. One conscientious employee apologized so profusely to customers for slight errors it became embarrassing to the firm.

While many problems can be ironed out in prejob training courses, it is impossible for any school adequately to detect and correct every objectionable habit or mannerism of each individual student before he or she goes on a job.

Be that as it may, here's one school that tries to.

—ROSS L. HOLMAN

The Small Town Hits the Jack Pot

(Continued from page 36)

ing more efficient to produce in factories of modest size, located in communities of modest size.

Robert Wood Johnson, chairman of Johnson and Johnson, makers of surgical dressings and allied products, in his book "Or Forfeit Freedom," declares that a factory should only be "as long as a man's shadow." His firm operates 23 separate factories. Six of the eight it has added since 1940 are in or near small towns, and employ no more than 500 persons each. General Johnson says these small plants are "good to look at, good to work in, and good to live near." He says the factory which one man can understand and manage is the right size. A small executive force makes decisions on the spot. No long-winded conferences take place. No long memos about policy go from desk to desk. There is no passing the buck, because there is no place to pass it. He believes executive ability is developed in such organizations.

The new factory is usually a one-story affair, located on ample land, looking out on farm acres and with its own grounds landscaped. The worker has no mad rush-hour struggle with subways or traffic jams. He has parking space for his car, and a pleasant place to eat lunch. He knows the boss; his children go to the same school as the boss' kids, and his family to the same church. He is very often a home or farm owner. He is a person and not just a number.

General Johnson is a practical and enthusiastic doctrinaire of the "American way of life," as well as a successful soldier and business man. His judgment about the small factory in the small community is not altruism. It is quite practical capitalism. His business is efficient and makes money. What he has said in a book is being said by many business leaders whose branch factories are springing up in hundreds of small towns. They are not locating where they do to get cheap labor, but to insure labor supply

and contented labor. It is proving more practical to place the factory where it is not competing for labor with others in great crowded cities. Proper housing at reasonable cost is a growing factor in the labor market.

When the International Shoe Company located its new tannery at Bolivar, Tenn., it brought six people to the plant, and employed 250 already resident in Hardeman County. It built four houses in Bolivar. The others live where they already lived, in town or on farms. There is a training school at the plant for the skilled and semi-skilled personnel. They are paid while they learn. Wages, hours and conditions are so satisfactory that a NLRB election found but 25 per cent voting for a union. The plant



"It has a bottom zipper, too, when you are really in a hurry to find something"

has brought a million dollar payroll to a county seat town that was commercially stagnating.

Sylvania Electric Products, Inc., which has 17 plants, ten of them added since 1941, has factories in New York and Boston, and otherwise is chiefly a series of small community operations. Its president, Don G. Mitchell, is quoted in a NICB report:

"Aside from the economic benefits to be gained from a well-thought-out program of decentralization, results to date indicate

that it offers a practical means of re-establishing the dignity of the worker as an individual. It can develop a mutual respect between workers and management and give a new meaning to the responsibility of employment and the fun of work. It can give more enjoyment of leisure time. It can build citizenship and pride of government. It can be a powerful means of combatting the industrial unrest and discontent on which communism feeds."

The same NICB report offers some data on the size of communities being chosen by large companies which are locating new plants at points distant from original home factories. It divides communities into those less than 10,000, those from 10,000 to 100,000 people, and cities of more than 100,000. Of plants located since 1940 it finds that in the steel industry the proportion in the small town class has increased from 12 to 21 per cent,

in the middle class from 28 to 43 per cent, while in large cities it dropped from 61 to 36 per cent. In nonferrous metals, with most plants smaller than in steel, the small town has got 50 per cent of new plants, as compared with 13 per cent earlier. Almost the same ratio applies to newly located chemical industries. Summarizing a dozen industries surveyed as to decentralization of facilities since 1940, the report shows the small towns getting 29 per cent as against 21 earlier, the medium cities 36 as against 31 per cent, and the large cities 34 as against 47.

All the advantages of industry in smaller places indicated by the surveys referred to are equally applicable to the "war babies" and to the "local industries." No

one has tried a tabulation of them, and probably the Census of Manufactures will give the first exact data on their number and size and place in American economy. It is possible to compare 1939 census data with Social Security Board figures on employment in manufactures, but the latter figures are only available through 1946 at present. They indicate where such employment had about doubled. These are the middle-sized, chiefly agricultural counties.

A statistician might dabble in

figures based on the "average county" with the average 40 to 45,000 people, but since the averages include the big centers as well as the strictly cow counties, they must be treated with some care in reaching conclusions. From the data available it is a fair statistical guess that more than \$4,000,000,000 of payroll annually has been added to the income of rural counties by the development of small town industries. Including small cities the figure would exceed \$10,000,000,000.

The significance of the Main Street boom is apparent in a quick tour of Michigan. Tecumseh, on the Ohio border, was a quiet country town of just less than 3,000 population, until Tecumseh Products Co. and Ray W. Herrick moved in, made refrigerator parts and between 1940 and 1946 the industrial population doubled. Industry seems to attract industry and today the village has an airplane plant, a Quaker Oats branch factory, and half dozen other manufacturers. Its payroll growth in a decade exceeds \$7,000,000 a year.

At the northern end of the state, Cheboygan is a sample of a dying town which has come to life. When the last of a dozen sawmills closed in 1926, the community had little left but its memories of the lumber boom days. In 1890 it had more than 6,500 people, and in 1940, after slight recovery from the depression, it had 5,637, including many unemployed. There were 200 empty houses. Wartime subcontracting started a revival. Local enterprise, a revived chamber of commerce, and the discovery that people like to work where they can own a home and go hunting and fishing after hours, seem to have done the rest. From an industrial payroll of 60 people in 1930, the town grew to 600 by 1946. It has kept growing. A defunct paper mill has been revived. Auto and refrigerator parts account for three new industries. Boxes, cement, stoves, machine tools are being made. The empty houses are full, with new ones being built.

What has happened in Cheboygan has happened in a dozen towns in the Upper Peninsula that adjoins northern Wisconsin and is wholly separate, geographically, from the rest of Michigan. Once a mining and lumber area exclusively, its towns are developing industries by the score. Escanaba, Menominee, Ishpeming, Ironwood and Iron Mountain, all less than 15,000 population, are adding small factories. Comparing the census data of 1939 with Social Security

reports of 1946 shows that industrial workers have doubled in number in some northern counties. This is equally true in some counties south of the straits, and outside the big auto making centers.

Having skipped about in Michigan to see a variety of growing towns and small cities, we may look at Tennessee statistically from the extensive data compiled by George I. Whitlatch, economist for the Industrial Development Division of the State Planning Commission. The Volunteer State has four cities of more than 100,000 population each, and in 1946 and 1947 these four accounted for one half of the industrial growth, while smaller places gained the other half of new industries. Since Memphis is de-



cidedly booming and received more than one fourth of the state factory increase, the small town growth looms larger than the bare figures indicate.

Of the 241 new industries locating in Tennessee in 1946, 128 were in the four larger cities, 32 were in places of from 10,000 to 50,000 people, and 81 in places having less than 10,000 population. The data for 1947 are in almost the same ratio, except that the middle group grew a little less and the small towns a little more. Twenty-five industries are recorded, town by town, as starting business in places with less than 1,000 population. Tennessee undertakes no estimate of the potential labor supply for industry, but comments that all agricultural labor is "more or less" available. Though the factory employment of the full- or part-time farmer is a difficult factor to measure, its results on the income and purchasing power of rural families are significant.

The war experience taught American industry something

about the speed with which American men and women can acquire working skills. Postwar crowding of the great cities has taught something about discontent with poor living conditions. Real estate prices and building costs have entered into the decision by many manufacturers to locate new plants where land is cheap and the one-level factory practical. General Johnson's idea of the right size for a factory is reflected by the shoe industry in the middle west, formerly almost wholly centered in St. Louis. Seven or eight new shoe factories have been opened in small cities in Missouri, Arkansas and other near-by states, and opinion seems to be that a plant employing about 400 people is the most efficient unit in this industry.

One distinct thread runs through every chapter of the small town story of the past few years, and that thread is the availability of labor. Released by the mechanization of farming, the small city and town have folk who would rather work at or near home than go to the crowded cities. Radio, video, movies and autos have made small town life as attractive as city life for most, and more so for many. Life in Hometown is modern and comfortable. The smaller places are full both of returned G.I.'s and their families, and returned workers from war industries. Exactly the same work is done in a shoe factory in Hometown as in St. Louis, at the same wages. The wages go farther and there is more fun in life and less rush and push and discomfort. Detroit and St. Louis may be getting their share of the growing national population and income, but no longer all of it.

Sociologists are greatly pleased at the trend which shows the jobs coming to the people, instead of the people leaving home to find jobs. They see in this tendency the hope of better small town revenues and public services and public schools. They see the small town repaid for educating its youth when the youth stay at home and apply their education, skill, and leadership to better living in smaller places. Civic planners in the great cities, with expanding suburbs which have left slums and blighted areas in old sections, and created tremendous traffic problems, may not be too unhappy if industrial growth keeps moving toward smaller places.

And the small towns are enjoying their new growth mightily. With the face of Main Street lifted, the chin of Main Street is up. Many a little city is doing some city planning of its own.

Need 65 Be Time to Retire?

(Continued from page 50)

labor and government develop retirement systems which will not set an automatic retirement age, but will permit and encourage a variable retirement age based on men's physiological rather than chronological ages.

The Bethlehem Steel Company of Bethlehem, Pa., has a plan which provides for retirement at 65 at the option of either the employer or the employee. It does, however, allow employees to work after 65 if they desire and if the company is willing to keep them on. R. E. McMath, company vice president, says: "In general, our experience has been that most employees prefer to work after 65, and, where they are physically and mentally able to do it, they are generally kept on."

In point of fact, however, there are cases where a man only reaches his peak at 65 or after.

Work for retired professors

AN EXAMPLE of what this can mean is shown by Hastings College, the law department of the University of California. Instead of retiring faculty members at 65, Hastings will only take a professor for full-time work if he is 65 or older and has also been retired from one of the other leading law schools. The Hastings plan was started in 1940 because of an emergency shortage of law professors, but it has been so successful that Hastings has not only retained the plan but also has an impressive number of law authorities on its faculty. Its student enrollment is also larger than that of any other law school in the 11 western states.

Not long ago, Dr. George Gallup's Institute of Public Opinion made a survey of the problems of old age. The poll showed that one of the surest ways to die before your time is to retire without having an active interest in some other pursuit. Dr. Gallup was more shaken than at any time since last November. "The evidence was so overwhelming," he says, "that I immediately decided I would die with my boots on and at my desk."

A Harvard law graduate, who is now one of the leading lights at the Chicago bar, puts it another way. He says, "I have no interest in retirement, compulsory or otherwise. The only retiring I do is every night."

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Hidden Profit

(Continued from page 33)

and skirting barges, beating its way out of the East River.

Whenever he saw a sail he felt guilty. He hadn't been able to go near Bobby's boat. Every spring he told himself that he would either put the Uranus II in shape, that summer, or he would sell her. But the years had passed, and he could not bring himself to face her. For just as Bobby had been his life, Uranus II had been so much of Bobby's life. On the deck of Uranus II, father and son had become comrades.

Now, smelling the salt air and watching the little sail in the river—Star Class, like Uranus II, he believed—he knew he had to face her. He had to get rid of her. He could not let her rot in loneliness. He had to sell her, or give her decent burial. He felt that Miss Rathbun was watching him, and wondering. Well, let her wonder. He said something about leaving, and being gone until Monday, and where to find him if there was an emergency. There wouldn't be, because the market was stagnant. As he put on his hat, he made a private prediction. As soon as he was in the elevator, Miss Rathbun would race through the offices, crying, "What d'you know? Old Profit's taking off the whole week end!"

AT HIS HOME in Huntington he changed his clothes. Automatically he put on the stained white flannels and the ancient sweat shirt that so long had hung in the back of the cedar closet. Then he found the battered yachting cap, clamped it over the back of his head, and examined himself in a mirror. He didn't look so old, he decided.

He left the house and walked along the shore road until he came to the club.

He should have resigned from the club back in 1944, he thought. He'd paid his \$100 dues every year, and hadn't gone near the place. It had been a useless investment, without the dividend of even a day's pleasure.

Parker avoided the clubhouse, and walked to the dock. Most of the Stars already were in the water, fully rigged, freshly painted. Tomorrow and Sunday people would be working on the others. In the empty boathouse he located Uranus II, her upturned keel protected by canvas, and the canvas lashed to

rings on the floor. His soft fingers were struggling with the matted knots when he heard quiet footsteps behind him. He turned and saw a boy, in brown shorts, a torn white shirt, and wearing sneakers.

"Want some help, Mister?" the boy said.

"No thanks," said Parker.

"I can get those knots out quick," the boy said.

Parker didn't say anything. The boy pulled at a knot, and the rope came apart in his hand. "Gee, I'm sorry. Didn't know I was that strong."

"These ropes are rotten," Parker said. "Boat's been laid up five years. No—six." With sharp tugs, he broke the remaining fastenings.

"This your boat, Mister?" the boy asked.

"Yes," Parker answered, pulling at the mildewed canvas.

The boy went to the other side, and together they stripped the canvas from the keel. The hull lay exposed, ugly and leprous with scaled paint; alive with creatures that scurried away from the sudden light.

Parker ran his fingers along the wood. She was dried out, but not rotten. Her seams were open, but altogether her condition was not beyond repair.

"You goin' to sail her this year, Mister?" the boy asked.

"Oh, I don't know." He did know, of course. He wasn't going to sail her, but he didn't like to admit that he was ready to sell. When you admitted you wanted to sell, the price went down.

The boy ran his hand along her

softly curved bottom, as Parker had.

"I'll bet she's beautiful in the water."

Parker grunted. She had been the finest Star on the Sound. She'd been designed by a man with an international reputation and put together in a New England yard that 100 years before had launched 19 knot clippers for the China trade. She had cost \$2,000 in a day when a five dollar bill bought a five dollar gold piece.

But as she stood, he couldn't get a hundred bucks for her. Even if he put her in shape and fitted her out, he'd be lucky to get \$800. What yachtsman nowadays appreciated such beautiful woods and classic lines?

"Mister," the boy said, "I'd like to make you a business proposition."

IMMEDIATELY Parker was alert. He became really aware of the boy for the first time. The boy was 12—perhaps 13—but smaller and more spindly than Bobby had been at that age. He was towheaded. Bobby had been dark.

"What kind of a proposition?" Parker asked cautiously.

"Well, you see, sir, it's this way. All my life I've been wanting to learn to sail, and I've never even been able to get on a boat. So, if you teach me to sail, I'll give you five dollars. That's for the whole season."

Parker laughed. It was ridiculous. At 12, Bobby lived on the water. At 12, Bobby had owned Uranus I, Comet Class, and possessed seamanship and cups to prove it.

"What's your name, son?" Parker asked.

"Philip. Philip Higby."

"No Higbys live around here."

"Oh, yes, we do. I was born here. My father is Mr. Randolph's chauffeur."

"Oh, I see," said Parker. "I see. Where'd you get the five?"

"Paper route."

Parker considered the proposition. If anything was to be salvaged from Uranus II, it would be necessary to refit her. Had her hull been rotten, he could have wiped it all off. But her hull was sound. Therefore he could not sink her, and would not sacrifice her. And if he refitted Uranus, it might be worth while to sail her this season, and sell her at the end of the summer. He might get his money's worth.

"I'll tell you what I'll do," he said. "I don't need the five dollars right now, so if you help me get her into



"Can you come back when he's busy? He hates to be interrupted when he is doing nothing"



Hometown airline THAT MAKES GOOD!

Francis Higgins, the chairman of the Chamber Aviation Committee, Clintonville, Wis. (pop. 4,000), felt that the region needed an airline, enlisted the aid of Hal Carr, TWA economist, who at 27 had helped map world air routes.

Without even a small angel, the two took their project to the public, organized meetings in small towns, rang doorbells . . . sold \$4 a share stock to housewives, barbers, farmers, grocers, even signed up stockholders on a Saturday night in a barroom . . . raised \$620,000 capital, and started operations in February 1948 . . . made money in the third quarter of its first year!

WCA flies Lockheeds over a 1200 mile route, links up a lot of towns in Wisconsin and Minnesota with Chicago. It's short on formalities, long on friendliness . . . a superb public relations job all down the line . . . Makes money because it fills a real need! And one of the surprising discoveries WCA has made is that its small town clientele buys 20 times as many seats per M of population—as do the people in big cities!

You'll get a big kick out of following the rise of this small town airline . . . and possibly some ideas

and information that may help your own business!

Look for "Grassroots Airline," by Peter Lisagor in the July issue!

Must reading . . . in next month's N. B.

Country needs "Good 5c Parking Lot."—and Hartford, Conn. got it . . . releasing 2,100 downtown parking spaces a day . . . Lots of ideas in "How Much Do You Want Good Traffic," by Phil Gustafson.

Samba begins at 40 . . . His daughter called him "Slop-Along Cassidy" . . . middle-aged, grey, hadn't danced in 19 years . . . but he found the rumba relaxing, fox trots fun . . . See, "Look, Ma . . .!" by Jim Bishop.

Surplus and subsidy . . . The US is raising twice as much wheat as we can consume . . . farm surpluses are again major problem, need new industrial uses . . . Read "Uncle Sam's Indigestion and Dr. Brannan's Medicine," by Julius and Edith Hirsch.

Atomic automobiles . . . Radioactive-run locomotives, luxury liners, and speedboats are not around the corner . . . You'll want to read "What Can You Believe about Nuclear Fission?" by S. Burton Heath.

Eye for exports . . . Market researcher and his wife flew around the world, 32,000 miles, visited four continents, six islands . . . reports on markets . . . "Random Notes of a World Researcher," by Vergil D. Reed.

And a dozen other significant articles for business men in July Nation's Business.



N. B.—Your July issue of . . .



shape, I'll teach you how to sail—free."

Philip grinned and held out his hand. "Shake."

"Shake," said Parker. "It's a deal."

Thereafter Profit Parker disappeared from the office at odd hours, and even on entire days when the market was hot. Miss Rathbun suspected that, having achieved a dangerous age, Old Profit had outfitted what the headlines always called a "Park Avenue Love Nest." Feldkamp, noticing Parker's increasing tan, suspected the same thing, except he located it in Atlantic City.

In late April, Parker and the boy exposed the clean wood of deck and bottom with wire brushes. They caulked the seams. By May 1 all the other Stars were floated, but Uranus II was receiving a thin coat of red lead, and then a coat of copper paint. Then the deck was sanded, and the topsides painted.

They found her old canvas in the club lockers, discolored but still serviceable, but by then Uranus II was sleek as a lacquered lady, and Parker insisted on buying a new suit of sail, and of course new lines and the latest type aluminum and stainless steel sheaves and stays.

On a Saturday morning, early in June, she slid away from the wharf. They sailed her back and forth across a protected arm of the Sound, as the half-forgotten lore of seamanship came back to Parker, and he taught it to the boy.

THERE is companionship on a little ship; small adventures to be shared and identified by comments, humorous or philosophical, that take on a lasting meaning.

In June, too, they entered their first race but managed to get blanketed at the start. Then they fouled a buoy on a close tack, and finished last.

When the tender ferried them to

the club dock there were some rude remarks, not entirely in jest, for Profit Parker had become rich too suddenly to be overly popular on the North Shore. He didn't mind; his skin had thickened, as it must in his years on the Street. But as they walked off the dock together, the boy was silent, his eyes on the cracks in the planking. As Parker turned toward his car, the boy spoke.

"I guess I won't be out tomorrow, Mr. Parker."

"Why not?"

"I'm not any help to you, I guess."

Parker looked at the tousled head, the bare toe worrying the sod.

Damn the rocking chair fleet, anyhow! They had no right to make fun of a boy.

"Look, Phil," he said, "it was my fault. Absolutely my fault. Next time, we'll show 'em."

The small head shook but didn't rise and Parker learned a thing—

Dream Ranch for Boys

OUT WHERE the West begins you'll meet scores of "tenderfoot" cowpunchers from almost every city in America; callow, shaky kids from ten to 17, who have had their greatest dream fulfilled—that of becoming a full-fledged cow-hand on an actual western ranch.

Boys' Ranch at Curtis, Neb., is the only one of its kind in the world. It sprawls lazily over the purple sage country where ranching on a large scale is still an important occupation.

The ranch itself is the offshoot of a dream. A few years back Harold K. Douthit, big, rugged Nebraskan with a firm faith in city boys, presented his dream to officials of the Nebraska School of Agriculture. As far back as 1913 Nebraska Aggies had established a school and ranch at Curtis, Neb., for the promotion of agriculture and stock-raising. It catered to farm and ranch boys and girls who were looking for practical training for their life vocations and a general high school education. Douthit's plan was to use the school for a city boys' camp or ranch during the summer. Three years ago the first boys' ranch was opened with 135 city boys accepted from all parts of the country.

As soon as a boy reaches the

ranch he becomes a rancher in his own right. "H.K.," as the boys have affectionately dubbed Douthit, is always there to meet them with a friendly "Howdy boys."

A typical day begins at 7 a.m. when the boys arise and prepare for breakfast which is served between 7:30 and 8 o'clock. The boys eat together and the meals are the typical rancher's "three squares a day."

Back to their dormitories by 9 o'clock (two or three to each room) the boys make up their bunks, tidy the room and are ready for the early morning horseback jaunt by 9:15. They're back at headquarters by 10:30. Sometimes this period from 9:15 to 10:30 a.m. is spent riding in formation, or in roping, and rodeo practice; always with an experienced teacher at hand. Boy ranchers unable to get their parents' permission to ride steers and broncos in the rodeo arenas are taught to rope calves, and the art of teaching a horse to follow his trainer around the rodeo arena.

From 10:30 to 12 noon the boys are taught animal husbandry, judging, butchering, livestock showing and farm practice. A livestock showing contest is staged by the boys themselves. Each is assigned an animal of his own choosing upon entering ranch life.

The boys put their animals through the laundry tubs; horns are shined and hair marcelled. They are trained, and ready to show in competition with other boys. This showing is one of the final examinations of the ranch session.

At 12 the boys knock off for lunch. From 1:30 to 2:30 p.m. there are practical classes in farm crops, grasses, weeds and insects. There are also motion pictures on agricultural subjects. From 2:30 to 3:30 o'clock the boys study farm mechanics, motors and automobile safety driving, and work in the forge laboratory where chains, cold chisels, knives and other items are made.

The hour from 3:30 to 4:30 is given over to sports: baseball, basketball, archery, tennis, football, boxing and swimming. At 4:30 the would-be ranchers are ready for supper. The boys spend from 6:30 to 8 writing home, lounging around the campus or playing checkers. Between 8 and 10 o'clock there is organized entertainment. All hands retire at 10.

Overnight camping trips are taken several times a week. The boys leave camp at 8 p.m. and ride up into the country. The grub wagon trails along until darkness when the boys unsaddle, put their horses in the corral and make ready for night.

At the end of six weeks the boys have taken on a new viewpoint of life—they are self-reliant, courageous, and equally important—they have made new friends.

—PEARL PUCKETT

the boy's sorrow had become his own.

"I'll tell you what we'll do, Phil. Stick with me and I'll make you a partner—a full partner in the boat."

So the boy stuck. In the next race they were seventh, which wasn't bad, considering that the fast crowd from Larchmont was entered.

It wasn't until the end of the season that they got a cup. It was a small cup, for third place, but it was in a big regatta, and the next morning the papers, in agate type, had a line: "Third—Uranus II, Jeffrey Parker and Philip Higby."

It was this line of agate type that ended Parker's sailing career. That afternoon Dr. Rappaport summoned him to his office. Dr. Rappaport had been Parker's doctor for



"Gentlemen, here's our chance for some good publicity for a change. During the past quarter we show a loss of \$18,478.23"

a long time. He went over Parker's thick chest thoroughly with a stethoscope, examined him with a fluoroscope, tested his blood pressure four times.

"Jeff," he said finally, "you're in pretty good shape. You're better than you were last year. Less hypertension. But I've told you, again and again, no violent exercise. Your heart can't stand it, Jeff."

"Sailing isn't violent," Parker protested.

Dr. Rappaport snorted. "You're racing. You sell that boat, Jeff. That's an order."

Parker didn't go down to the dock again until the next week end. The boy had Uranus II out, and Parker waited patiently until she rounded the point, and came expertly into the wind at the buoy.

"Come ashore," he yelled to the boy.

The tender brought the boy to the dock, and Parker wondered how best he could tell him.

"What's the matter?" Phil asked.

Parker noticed how in a summer the boy had filled out, how he had grown both in stature and confidence. "I can't sail any more. Doctor's orders."

"Oh." The boy looked down and scuffed at the planking with the toe of his worn sneaker. "Gee, I'm sorry. I guess I can't either, then."

Parker put his hands on the boy's shoulders. "Look at me, kid."

The boy looked up. "Yes, sir."

"We're partners, see. We made a deal. We're in business together. Now in business, when one partner has to retire the other carries on. Get what I mean?"

"No, sir."

"Well, the boat's yours, son."

The toe stopped scuffing. Eyes, suspiciously heavy with moisture, came up to look directly at Parker, then the head went down again.

The man frowned.

"Listen, Phil," he said, "I'm giving you the boat. Don't you want her?"

The boy nodded.

"Yeah," he said. "Yeah, I want her but, ain't you going to be around any more?"

As the meaning of the question grew, Parker's eyes threatened to betray him, too. He snorted and blew his nose.

"What do you mean, will I be around? Of course, I will. I can't sail, that's all. But I can watch you sail—and we can talk about sailing. Just because a partner retires, doesn't mean that he walks out on a partnership." He held out his hand.

"Shake," he said.

THE next week Parker resumed his usual routine, with certain differences that Miss Rathbun and Feldkamp noted. He seemed to enjoy a lunch hour again, and quite often he laughed out loud. The pronouncements of the Securities and Exchange Commission no longer threatened him with apoplexy.

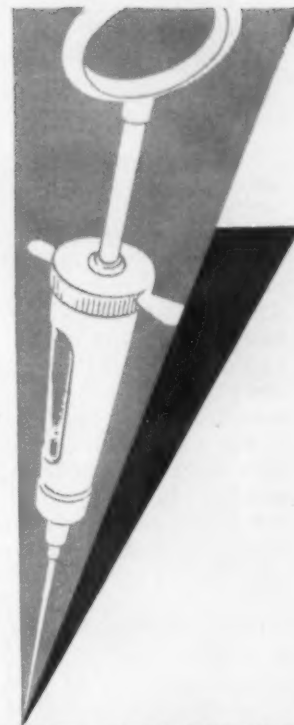
One day Feldkamp asked him, casually, whether he had given up sailing—for by then the office knew how Old Profit had spent his absent days through the summer.

"I got rid of my boat," Parker answered shortly.

"Make a profit?" Feldkamp asked, smiling.

"Naturally."

Later Feldkamp told Miss Rathbun that this was probably true, although the boat had originally been custom-built, and very expensive. "He *must* have made a profit," Feldkamp said. "Notice how relaxed and happy he seems. I haven't seen him like this in a long time—not since 1944."



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TV Will Change You

(Continued from page 42)

medium. Alert young TV producers, writers and directors, excited by the potentialities of the new medium, are just beginning to discover some of the jobs TV can do. The best of them are tossing overboard everything they know about radio and motion pictures and are developing programs uniquely adapted to television.

For example, Don Weiss of the New York office of the Veterans Administration was confronted with the job of selling partially disabled veterans to prospective employers, who take them on under the VA's job-training program. He had been publicizing these job-seekers with moderate success by means of newspaper stories and spot radio announcements. But if you ask an employer to take on a disabled man he has never seen, even with the best will in the world, he can't help exaggerating the degree of disability. Then Weiss conceived the brilliant notion of letting the veterans sell themselves over a weekly television series.

Here's how it works: the other night in WABD's big New York studio, one set was a practical cabinetmaker's shop, in another set an electrical wiring job was set up, and a third was a radio repair shop. Taking each set in turn, the screen showed actual disabled vets working at their specialties. After each shot, the scene shifted to the desk of a VA doctor, who produced the man's records and described his

war service and the exact nature of his disability. Then the veteran demonstrated the completed job and, at a cue from the announcer, stepped up before the camera and made his personal pitch to employers. "If you have a place for this man," says the announcer, "pick up your phone and call . . ." And a slide gave the number.

In the course of the series, men have operated lathes; repaired watches, shoes and typewriters; laid brick; set linoleum tiles, and drawn posters. Once they moved in a car so a vet could fix a brake drum. Often they time an operation to show the man's competence. Employers who know these operations can pretty well judge a man's skill. They see him move around and forget the word "cripple," and also get an idea of the man's personality.

From 50 to 100 phone calls from prospective employers have come in after each program, and after the men in the show have got jobs, leads are turned over to other veterans. About 90 employers a month used to offer training facilities—television has boosted the monthly total to 200. I have described this show not primarily to support a worthy cause but to illustrate the value of television when used by pioneers who understand it. If unemployment should increase—knock on wood!—here's a new instrument to fit men to jobs.

There are a number of other shows on the air which are not

adaptations of other media, but of television itself. There's Edward McGinley's "Fun at the Piano," a persuasive half-hour music lesson, in which close-ups of the keyboard enable pupils to follow him on their pianos. McGinley's fan letters are the most genuine I've ever seen. They come from pupils aged five to 84 who live in everything from a Quonset hut to a penthouse. Millions of mothers skimp to buy their children music lessons—here's a made-to-order job for television.

In Sigmund Rothschild's "What's It Worth?" people bring in antique furniture, pictures, clocks, old guns, etc., for appraisal. Antique collecting is a great American diversion, and such a show could teach auction hounds the difference between a Paul Revere creamer and a Pennsylvania bible box. Other "how to" shows—cooking, sewing, drawing, home decoration, and so on—are helping to convince mothers that maybe television won't turn their children into popeyed dolts. Programs needn't always be uplifting, but if stations ignore this opportunity to build up a solid following, the public may eventually tire of vaudeville, soap operas and wrestlers and open its collective mouth in a \$1,000,000,000 yawn.

All sorts of problems confront the new industry. Some people are worried about invasion of privacy. When a senator's daughter came home from a televised ball game her mother asked: "Why did you sit there with Charlie's arm around you?" TV lawyers are concerned about people who are made to look silly at public shindigs. A scientist who used to give radio talks recently appeared on a network TV show. Now people on subways stare at him, he says. He asked for it, but he doesn't like it. "We are nourishing a viper in our bosoms," he told me, "and we are giving it the best room in the house." Then he muttered something about a camel that stuck its nose in a tent.

Whatever dissenters may say, the boom is on, and it probably will mushroom until everybody's little brother has his eye glued on the gushing picture fountain. It is perhaps the most engrossing gadget ever invented, but its long-term future will depend on the quality of programs. Radio critic John Crosby has remarked that if television doesn't kill radio, radio will. The new king is not invulnerable. Now, during its formative days, television has a golden opportunity to win permanent support by filling the needs of the public, which pays the bills.



Factories That Put Money in Your Pocket

By HENRY F. PRINGLE

THE next time somebody offers you a two dollar bill with your change, take it. By doing so, in the face of the widely held notion that two dollar bills are either bad luck or a nuisance, you will help to cut the operating costs of the Bureau of Engraving and Printing in Washington, where all of Uncle Sam's folding money is manufactured.

The officials of the Bureau shake their heads ruefully when they contemplate the continuing prejudice against the piece of green paper which is worth precisely twice as much as the one dollar bill. Americans reach eagerly for all other denominations, but the two dollar note is popular nowhere except at the race tracks where it is paid out to Lady Luck. If a fair proportion of two dollar bills could be placed in circulation, the Bureau of Engraving and Printing could save about \$3,000,000 a year.

The cost of making paper money, under today's efficient and highly mechanized methods, is about one cent per bill—and it is roughly the same for the one dollar bill, the two dollar bill, the \$20 or the \$10,000 variety. Last year the Bureau printed something more than 1,000,000,000 dollar bills and less than 500,000,000 bills in all the other face values combined. Few indeed were of the two dollar variety. The heavy cost is due to the fact that one dollar bills pass rapidly from pocket to pocket and have to be replaced in seven to nine months. Higher denominations last longer.

All in all, however, the unpopularity of the two dollar bill is a minor problem at the Bureau. Much more serious is the puzzle of how much money to make. Section eight of the Constitution specifies that Congress shall have power to "coin money, regulate the value thereof, and of foreign coin." In due course the Treasury Department became the agency which, under congressional direction, exercised these powers. But nobody has ever effectively figured out how much money, in bills or coin, is certain to be needed at a specific time.

Producing money is a manufacturing process, not much different from making shoes or shirts. And the quantity turned out depends on demand. The nation's industrialists also have their troubles estimating the future need for their products. But they do not have to face quite so many unpredictable situations. For instance, theoretically, the imposition of a sales tax in some state or city should increase the demand for pennies in that area. Con-



COAST GUARD PHOTO
New York subway fare increase caused demand for dimes from Philadelphia mint

THE manufacture of greenbacks is similar to turning out shirts or shoes.

Quantity depends on demand

versely, when many newspapers increased their price from three cents to a nickel, the change should have made fewer pennies and more nickels necessary.

Sometimes it works out that way; sometimes not. As employment started to rise in 1940, with the nation beginning to arm for war, heavy demands for coins of all varieties deluged the mints at Philadelphia, Denver and San Francisco. The plants went on a 24 hour day and a seven-day week. During that year the Philadelphia mint turned out 801,000,000 coins worth \$35,000,000, compared with an average annual output, up to then, of 350,000,000 pieces. Edwin H. Dressel, superintendent of the Mint, attributed the demand to higher employment, to the increase in the number of cash-and-carry stores and to the growth in the use of slot machines through which, as he has said, "you can get anything these days except a haircut and a shave."

A classic example of the uncertain nature of the demand for money was the shift from five to ten cents in the New York City subway fare in the spring of 1948. Responsibility for the distribution of money lies, roughly speaking, with the Federal Reserve Bank of the region concerned. When it first became

apparent that the subway fare might be increased, the New York Federal Reserve warned the mint in Philadelphia that there might be a shortage of dimes and that a surplus of nickels—no longer good in the turnstiles—was certain.

The situation was potentially serious. The New Yorker lacking a dime might have no way to reach his job. The possibility of a transportation tie-up was the nightmare which haunted some city officials. Dressel, the Mint superintendent, was less disturbed; he had witnessed similar changes in the past in which the crisis had never developed. But the production of dimes was stepped up. In May, 1949, \$440,000 worth were shipped to New York; in June a total of \$1,500,000 worth. At the same time, contrary to all predictions, the circulation of nickels also increased. The mint had to ship \$500,000 in new five cent pieces between June and September of last year. Nobody knows why. One theory is that the weather was fairly good in New York. People flocked to Coney Island and other resorts and spent more nickels than ever for hot dogs and soda pop.

A second headache in the manufacture of money is the prevention of counterfeiting. This does not mean the apprehension of criminals, which rests with the Secret Service and other law enforcement agencies. The job of the Bureau of Engraving and Printing and the mints is to produce bills and coins which are virtually impossible to

imitate without detection. To do this, engravers of exceptional skill are employed. Special paper is treated so that almost any bank teller can spot with his eyes closed, merely by the feel of the paper, a spurious bill from a genuine note. The red and blue fibers impregnated in the paper, long regarded by most people as the principal protection, are of relatively minor importance.

The engravers who make the plates and the printers who guide them through the presses actually control the amount of paper money in the United States. This does not mean, of course, that they decide the amounts to be issued. But their craftsmanship is of such a rare nature that it is impossible to add quickly to their number. They must be trained over a period of years. A second reason is that paper money must be stored, or aged, for a considerable period. Thus, at the moment, there is a shortage of paper money, although the Bureau of Engraving and Printing is working 54 hours a week.

The shortage is probably reflected in the condition of the money in your wallet. The Bureau of the Public Debt, another division of the Treasury, makes the rules as to when old bills are to be retired. When the supply of new money is somewhat short, the rules are relaxed. Fewer clean and only moderately worn bills are in circulation, and more soiled ones. But, when money is no longer fit to be used, it is cut in half and shipped

by the Federal Reserve banks in separate parcels to the Public Debt Bureau. There it is again checked and then burned.

The design and appearance of American money, particularly the paper money, are regarded as secondary to the safeguards against copying. The criticism is sometimes offered that the design and typography might be improved. In 1932 the late W. A. Dwiggins, one of the leading type designers in the country, published a small pamphlet in which he commented—half seriously and half in fun—that American notes were simply awful from the viewpoint of design. He sent a copy of his pamphlet to Henry Morgenthau, then Secretary of the Treasury, who was somewhat impressed. The experts of the Bureau of Engraving and Printing pointed out, however, that the alternative designs Dwiggins offered could be copied with ease. They were pretty, but impractical.

Prevention of theft might seem to be an equally pressing problem in making money. On the day I visited the Bureau of Engraving and Printing, more than \$34,000,000 in bills had been turned out. The next day, at the Philadelphia mint, I was told that upwards of \$5,000,000 in half dollars, quarters, dimes, nickels and pennies were in the vaults. Yet theft and loss constitute no real problem. This is because systems have been developed which make accidental losses almost impossible and theft the most foolish of crimes.

No guards haunt the corridors of the Bureau of Engraving. But each sheet of white paper is checked before being engraved. So is every



New money being inspected. Veteran handlers can spot a bogus bill with ease



batch of 12 bills, prior to being cut. So are the individual bills after being numbered. The operators who print, sort and count the money are required to sign receipts for the amounts in their charge. One young girl who had handled \$10,-000,000 on the day of my visit told me that she was out \$2 at the moment. "But," she added cheerfully, "I'll find it." And half an hour later she had.

Very rarely some misguided employee will abstract a bill or a sheet of bills. But the missing notes are quickly traced. If a loss occurs it is shared, by voluntary agreement, among all employees of the department responsible. This does not constitute much of a sacrifice. An average year's loss is about \$40—not much when compared with almost \$5,000,000,000 in paper currency produced in 1948.

Coins stamped rapidly

AT THE mint in Philadelphia, of course, armed guards are everywhere. This is essential. Silver, bronze and cupro-nickel bars are being run through huge presses as though they were steel or aluminum. Blanking machines cut out the blank coins. The final step is passage through huge presses which turn out finished coins like so many beer bottle tops. No numbering is possible. A dishonest employee easily could scoop up a handful of silver coins and hide them in his clothing. Yet thefts are virtually unknown. All the 600 workers at the Philadelphia mint are subjected to searching investigation prior to employment. All are bonded.

There is a greater danger of loss in the manufacturing processes. Coins may jam in the machines. Shavings of copper, nickel and silver fall to the floor or get caught in clothing. So the sweepings from the floor are gathered carefully and melted down to salvage the metal. All water, including that from the employees' showers, is screened. Old work clothing is burned and the ashes refined. Considerable quantities of metal are recovered as a result. In the mint, as in the Bureau of Engraving, the workers soon become unconscious of the fact that they are manufacturing money. They could as well be turning out books or radios.

Uncle Sam is not only extremely fussy about seeing that nobody gets his money illegally. He takes great pains to make sure that every coin is the proper weight and the exact purity prescribed by law. Metallurgists test coins constantly

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to see whether enough silver, bronze, copper and nickel are in the alloys. Before being stamped, all silver coins except dimes are fed into amazing automatic scales, which reject any that are too heavy or too light. The dimes are poured into buckets and weighed in bulk on equally remarkable scales, accurate up to one one-hundredth of an ounce despite their size. Since this is one eighth the weight of a ten cent piece, the scales can spot a very thin dime indeed. After weighing, the coins are passed through counting machines and placed in canvas bags.

Political spellbinders may sometimes cry out that the rich, getting richer, possess all the money. This may be true with respect to bank accounts. But as manufacturing establishments the Bureau of Engraving and Printing and the mints work principally for the

masses. It may seem as though the penny were more of a nuisance than a coin that will buy anything. But the unprecedented demand for nickels and pennies continues unabated.

At the Bureau of Engraving visitors are allowed the delicious, tantalizing experience of holding a drawer containing \$125,000,000 in \$10,000 bills. No \$5,000 or \$10,000 notes have been manufactured for some time. You can still get one at your bank, however, if your account is large enough. But the teller will almost certainly quietly notify the police. These large denominations, like the \$100,000 gold certificate which is issued only to the Federal Reserve banks, are used by financial institutions to balance their accounts. Even for this purpose, their circulation is diminishing.

The Government doesn't ac-

tually own any money, of course. It belongs to the nation. And the metal and paper currency in the manufacturing plants is not money, strictly speaking, until it is in circulation. Demand controls the supply.

A banker in San Francisco, let us imagine, knows that on a forthcoming Friday three large industrial factories in the area will meet their payrolls. So he notifies the Federal Reserve Bank that he will need an additional \$150,000 in bills and coins on that day. Officials of the Federal Reserve already have anticipated the banker's requirements. They have ample currency on hand. They merely debit the banker's reserve account for \$150,000. But when the Federal Reserve needs additional bills or coins, it makes a requisition on the Treasurer of the United States who, in this case, would authorize the San Francisco mint and the Bureau of Engraving and Printing to make the shipments.

The manufacture of paper money, while not expensive, returns no profit to the Government. The coinage of silver money brings a premium, on the other hand. The half-dollar, for instance, does not contain 50 cents worth of silver and other metals. The cost of making it, including raw materials, is probably somewhere around 34 cents. But during its travels it is rubbed against other coins. It is stacked on bank counters and jammed into bags. Gradually it loses weight. And when it returns from its long journey it is likely to be worth, on the average, somewhat less in melted metal.

In 1928 the size of paper money was reduced to the present 6.14 by 2.61 inches. But changes in design are infrequent. Last November, however, Secretary of the Treasury Snyder announced a \$20 Federal Reserve note with a new engraving of the White House on its reverse side. This design includes the controversial balcony added by President Truman. Other minor structural changes are also discernible. The White House grounds are a deeper green in the new engraving because of additional trees and shrubs. The flag hangs at an angle from the staff instead of blowing straight out. All this has been done in the interest of accuracy.

The experts of the Bureau of Engraving and Printing are firm believers in accuracy. They sometimes wonder what would have been done with the \$20 Federal Reserve note if the White House had tumbled down.

Now We've Heard Everything

WHEN A minor modification in the ownership of our business called for a visit to the office of the Board of Equalization in a western state, I filled out endless new forms for my sales tax permit. No exclusive club ever asked so much about my status, but I filled in the blanks obediently until I found a space asking for the "name and address of parents of wife."

"Why?" I asked.

"To locate you," answered the state official, patiently.

"Well, isn't it a lot more likely

that my *own* parents would have a better idea of where I might be than my in-laws would?"

"Mr. Battles," explained the clerk, with evident forbearance, "we occasionally fail to collect a given month's sales tax because a home is broken up and the husband and wife are separated. It is our experience that NO ONE is more likely to want the law on a man than his own mother-in-law. So we just give her a call, and we usually have our man AND our tax in a matter of hours!" —E. B. BATTLES

Drivers License No. _____ Car License No. _____

Names and _____ of personal reference residing _____

Name _____

Name _____

Name of wife or husband _____

Parents of wife or husband _____

Address _____

Signature of _____

DATE _____

403 (R)



COAST GUARD PHOTO

Cash for Charred Paper

THE IMMIGRANT contractor trembled as he handed over the box to Treasury officials. "Thirty-fiva hundreda dollar uppa in smoke!" he gesticulated. "Ev'ry centa I own!"

To a casual observer the contents of the box looked hopeless. Nothing but fire-wracked, charred fragments. But to Treasury Currency Redemption Division workers, each fragment was a telltale clue. With an expertness and patience rivaling that of the FBI, they identified \$2,900 down to the exact denomination!

This kind of work is carried on by 18 women experts of the Burned Currency Unit in the Bureau of Engraving Annex in Washington. Almost at a glance they can tell whether a foul-looking roll of bills has been scarred by battery acid, worn down in a shoe or riddled by termites. And to thousands who, half in despair, send in mutilated scraps and receive cash in return, they seem like magicians.

There was, for example, the elderly woman from Baltimore, hysterically happy over the full value she received for some charred currency she'd hidden in the ash box of her cook stove. And there was the case of the farmer's pocket-book, plowed under, soaked and snowed upon. A year later the purse was found, its contents decayed. No one was more surprised than

the owner when he received a check for the full amount.

You get full value for a mutilated note if three fifths or more is identifiable, half the value if between two fifths and three fifths.

Burned money is the biggest headache. "Ashes are impossible," emphasizes the chief inspector. "It's char we work with."

The difference is interesting. Currency paper is part linen, part cotton, pigmented with ink. Burned in open air, the paper disintegrates into a gray, worthless ash. But burned inside a container with a limited amount of air, it's another story. The residue is an ink-coated, carbon-black wafer almost in the shape of the original note—and this is called char.

The workers sort out the charred remnants, examine them under magnifying lenses and mount them onto pieces of paper.

By the time a batch of char is analyzed it is possible to ascertain the exact number of bills. More often, the total is less than people claim, but there are exceptions.

So put your money in a bank where it won't be burned. But if it is, here are some hints to aid redemption. Don't try to straighten out a charred roll which is in a container. Simply remove jostling objects and cover the char with cotton batting. The Treasury will do the rest. —MATTHEW HUTTNER

Pat O'Brien says...

"I like The Shamrock because:



... well, I'd stake my birthright on anything that bears a name like "The Shamrock." And as though that weren't enough, I find this wonderful hotel, with all its glamour and magnificence, places hospitality, home-style comfort, and service first on its agenda. No, sir... no self-respecting son of Erin could turn down a welcome as warm as The Shamrock's—which makes me a Shamrock patron every time I'm in Houston."

In Houston, you are cordially invited to live at

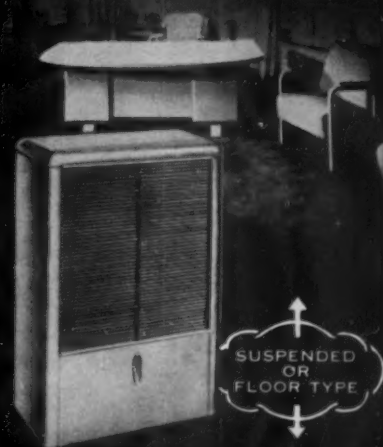
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The Chamber's New President

(Continued from page 39)

ernment has gone into these fields because of a changing social concept on the part of the American people, and there is no indication that they want history to turn backward in this respect.

"Therefore the only intelligent plan is for business men to become much more active in governmental affairs themselves. If they don't, they will see actions taken which may not be to the best interests of the country, and which could have been avoided if they had been there to express their views."

Spelling out this idea, Steinkraus maintains that the continued well-being of private enterprise in the United States depends on its ability to produce ideas and sell itself as well as to produce and sell goods and services. Only to the extent that it effectively can marshal an enlightened public opinion in support of a free economy and free institutions can business stem the rise of a welfare state.

This philosophy is more than a theory applicable in some vague way to that amorphous entity called "business as a whole." It is a practical plan of action for individual companies that Bridgeport Brass has used with good results.

The first place where business can clear up misconceptions and develop a better understanding of

the profit system is right at home. At the Brass Company, Steinkraus has organized a system which transmits all pertinent information about corporation policies and operations directly to the full working force. The various echelons, from senior executives to shop foremen, have regular meetings of their own associations to keep abreast of goings-on. A president's letter goes to workers and their families when there are newsworthy developments to report. Steinkraus believes that all his employes should know about company affairs without having to learn about them from the newspapers or back fence gossip.

All of this to Steinkraus represents good business practice—no more, no less. He sees industry as a team, of which all members have a common objective of maximum production for a high standard of living and a fruitful life. A quarterback can't expect to score touchdowns if he withholds the signals from his linemen.

The same goes for the other tenets of his philosophy that have been translated into practical accomplishments. In addition to its obligation to make a fair profit for its owners a company must provide a decent place to work, at steady jobs and at good pay. It also must do its part to make the com-

munity a better place for people to live, and can do so with full appreciation of dollars-and-cents cost accounting.

In 1947, the Bridgeport Brass Company wanted to provide better recreational facilities for its workers but lacked suitable space. The company worked out an arrangement to acquire, modernize and equip an old National Guard armory as a community center.

As a result, the workers got a recreational program, the community got a needed improvement, the company reaped a bonus of good will and, from rentals for various events, the project is self-supporting and self-liquidating. Some who scoffed at Steinkraus for investing company money in the project now admit that they wish they had thought of the idea themselves.

Steinkraus got his introduction to labor-management relations—a field in which he has subsequently achieved considerable national prominence—by accident.

That was in the '30's.

A new collective bargaining agreement was being negotiated. The company president was ill and Steinkraus, then sales vice president, was assigned overnight as a substitute.

His qualifications, if any, consisted of having been born into a family of music lovers—first requisite for musical appreciation is ability to listen.

Steinkraus bolstered this natural talent by reading pertinent books



Herman W. Steinkraus, new Chamber president, can hold his own on public issues. He's been lauded for his fairness after appearing before Congress and on the radio.

on labor relations and talking to as many people as possible. Then he went to the bargaining table.

Union leaders generally are allergic to industrialists and those in Bridgeport are no exceptions. But, at that meeting and since, they found that they could get along with Steinkraus. "He is fair," they say, "and he keeps his word."

As a result, the company has never had a strike or work stoppage, although for a number of years it had to bargain with a left-wing dominated union and Steinkraus has never yielded his right to criticize what he regards as union weaknesses. He has gone on record many times that unions—because of an understandable desire to perpetuate themselves and build membership—frequently fail the best interests of workers in individual industries and plants. In his own company he believes in fair treatment for labor, and insists on the same from labor, in turn. That theory summarizes his philosophy of industrial relations—that labor and management have a mutual interest, and that both achieve their greatest prosperity by working together on the basis of fair dealings along a two-way street.

Worked through school

STEINKRAUS was born in Cleveland, Ohio, on Dec. 16, 1890. He attended the local public schools and was graduated from Western Reserve University, with honors, but no very clear idea of what he planned to do for a living except that he wanted a job in which he could deal with people.

In working his way through school he had sold everything from newspapers to textbooks and liked selling. He served for a time as assistant secretary of the Cleveland Advertising Club, and later with the Cleveland Chamber of Commerce. Then he joined the staff of the Osborn Manufacturing Company—makers of machinery and industrial brushes.

A personal encounter with prejudice, rooted in hearsay, has given Steinkraus an abiding determination to act only on the basis of facts and on insight into the real need for tolerance.

Both of his parents had been born in Germany. Although they had emigrated to the United States because of their dislike of "Prussianism," they maintained a continuing interest in their native land and the elder Steinkraus subscribed to a number of German periodicals. When, at the beginning of World War I, young Her-

man, with some of his college classmates, applied for officers' training he was shocked to learn that his family was said to be pro-German, and that he was considered, therefore, a bad risk for a commission. He enlisted as a private—within a week was promoted to sergeant because he had a good knowledge of military drill acquired as a member of an athletic club. But he had to prove his right to his stripes with boxing gloves when another NCO disputed the ability of a one-week recruit to handle a platoon. Steinkraus won—and still attributes the victory to a lucky punch.

He served overseas, subsequently rose to captain and won the Distinguished Service Cross for valor in action in Bois-de-Bantheville.

He likes selling

AFTER the war he returned to Osborn as a special assistant to the president. But the urge to sell still was with him and, when he asked for a change of assignment, he was offered the post of sales manager. He realized, however, that he would be inviting trouble from the older men working under him if he took the job without a better grounding. So he went on the road to learn the practical problems that confronted the men he would direct.

Later he took the sales manager-ship but the taste of competitive selling had cultivated a yen to go into business for himself. In the

'20's he made the break, and established his own sales and warehousing organization to serve as agents for certain manufacturers.

One of the lines he wanted to handle was nonferrous metals. Since he had no choice, he consulted a manufacturers' directory to find a company in this field that was unrepresented in Cleveland. He came up with the Bridgeport Brass Company. His first letters relative to this account brought no action so he took a train to Bridgeport and got an interview with the sales manager.

"What do you know about the brass business?"

"Nothing, except the customers," Steinkraus said. He urged that he could learn the brass business faster than a man unknown in the Cleveland area could develop a following among customers. He got the account.

At that time the refrigerator industry was beginning to bud in Ohio, and Steinkraus soon developed such a substantial volume of business from it that the Brass Company began to worry about his commissions. It asked him to come on the payroll instead. The company, at that time, was having its own troubles at the management level, and Steinkraus, although he had promised himself and his family never to work for anyone else again, faced a dilemma. If the company's management problems caused him to lose the account,



he wouldn't have much of a business of his own.

He moved to Bridgeport as vice president in charge of sales.

He discovered that his own Cleveland agency had been producing a substantial part of the company's total sales volume. He also found there were many territories in which the company was making no sales because of freight charges, and that much of the company's productive capacity was unused.

Unraveling this tangle further he discovered that, if output were increased, overhead could be reduced sufficiently so that the company could absorb freight charges and enter the untapped markets throughout the country. This it did.

The sales chart vindicated his judgment. Since Steinkraus has been with the company, sales have gone from \$7,000,000 to \$75,000,000.

He was elected company president in 1942—at the peak of the war production drive. Bridgeport Brass earned the Army-Navy "E" award, with five stars.

In company affairs, as in most things, Steinkraus is something of a perfectionist. He dislikes a job that is only "good enough" to get by, and occasionally has hurt the feelings of his associates by taking them to task for producing less than the best. Yet these associates are willing to concede that Steinkraus sets the same standard for himself. And Steinkraus, in turn, is willing to concede that he often is too blunt.

Good place to work

BASICALLY, this quality comes from a desire that anything he is associated with be good. One day a remark disturbed him. Someone had said, "People used to say they were proud that they worked at the Brass shop. They don't say so now."

His investigation to find out why ended unexpectedly in the wash-rooms. The company's sanitary facilities had been neglected and conditions were indescribably bad. Factory gates were forbidding and some men said they felt as if they were entering a prison when going to work. These and other bad working conditions were corrected and today the company has an excellent standing with the workers.

Steinkraus credits his "old world" heritage for some of the characteristics and the talents that have been useful to him in business and in living. His early religious training may be responsible for his feeling of kinship with others, and for his integrity in hu-

man relations. Two brothers are clergymen, and he himself once considered the ministry. But, with a highly developed sense of the practical, Steinkraus can say, with a chuckle, "It's sort of a shame my brothers didn't go into business. Both have good heads for it."

In his own home, Steinkraus has maintained the family musical traditions. Mrs. Steinkraus (nee Gladys Tibbetts), the daughter of a New England colonial family, whom he married in 1919, is an accomplished musician. His daughter Ruth, a Vassar graduate, hopes to be a concert pianist. Marjorie, a Stevens graduate, works on a column for a West Coast newspaper. His son William, a Yale man, plays the viola in the Connecticut Symphony Orchestra, an organization which Steinkraus helped found.

Steinkraus is of medium height, with blue eyes and receding gray hair. His trim figure and his energy belie his 58 years. He dresses conservatively, usually in dark suits, wears horn-rimmed glasses, which

In the ordinary business of life industry can do anything which genius can do, and many things which it cannot. —Henry Ward Beecher: Proverbs from Plymouth Pulpit, 1870

he takes off and uses to punctuate his conversation when enthusiastic about some subject.

He is an ardent fisherman. His treasured Waltoniana includes some items which reveal his sense of the ridiculous. One of his trophies is a mounted sailfish of minnow dimensions. Another is a photo of himself alongside a prize swordfish which he confesses with a chuckle ("but don't tell my friends") came from the shop of an obliging taxidermist.

Despite his devotion as a family man and his frequent attendance at the Christ and Holy Trinity Church, his associates describe Steinkraus as an amiable companion at stag affairs. He takes a drink or two but self-discipline stops him short of the point of joining the boys in a barroom version of "Sweet Adeline." The more accomplished elbow benders among his cronies deplore this restraint because they say that Steinkraus has a good singing voice.

Although he is thankful for his "old world" heritage, Steinkraus in every way typifies the spirit of the new world, both in idea and in accomplishment. He is frank to admit that it's useless to deplore the pass-

ing of the "good old days," and in some respects believes that we are well done with them. The open-shop attitude of some employers, the idea that a corporation should withhold information about its affairs, that business could grow healthy with a *caveat emptor* philosophy properly belong to the past, not the present. At the same time, Steinkraus is concerned about too much reliance on Government for things that were formerly accomplished by individual initiative. Although he is active in, and highly respected in such organizations as the American Legion and the Veterans of Foreign Wars, he disagrees with these groups in their stands for bonuses and pensions. He stands against federal aid to education and compulsory health insurance.

Critic of selfish interests

STEINKRAUS is equally critical of business men who are beholden to government for selfish interests and is as outspoken against corporate groups that play "footie" with Uncle Sam for the sake of their government contracts or subsidies as he is against racketeering labor leaders or citizens with a "give-me" psychology. In terms of the organizational operations of the Chamber of Commerce of the United States, Herman W. Steinkraus assumes the presidency well equipped to make the world's foremost business organization a more effective instrument in the councils of the nation.

Early in his career he learned the practical problems of the Chamber executive from his own work in Cleveland, and he has seen the Chamber movement as a member in Bridgeport. Nationally, he has been a member of the Board of Directors for six years, and a vice president for two years. On numerous occasions he has represented the Chamber as a witness before congressional committees. Recently, when he testified on proposed changes in the labor laws, his presentation was praised by members of both parties for its fairness and eloquence. Though not an orator of the old school, he acquits himself ably in debate and on the speakers' platform.

Asked to comment on the election of Steinkraus to the presidency of the Chamber, one of his competitors said, "Steinkraus is going to make you a good president, or die in the attempt—and that damn Dutchman—well, he's just too stubborn even to say die when there's a job to be done."

Roadside Retailer

NOBODY will dispute the fact that an ice cream cone can be sold as profitably on the highway as on Main Street. At least not since Howard Johnson introduced his 28 flavors to the nation's motorists. But stop the next business man you meet and ask him if men's clothing can follow the trail of the ice cream cone from city to highway. Chances are he'll say "No!" unless he's heard about Jim Dale, a roadside men's clothing chain whose six stores ring up an annual sales volume that tops \$1,000,000.

The chain was launched in 1946. Population figures at that time revealed a sizable shift to rural areas. This meant new horizons for commerce, a business potential with which roadside selling was inseparably bound up.

Convinced that the techniques of roadside selling could be applied to men's clothing, the chain opened its first store in January, 1946, outside Woodbridge, N. J. Much of the success which the store enjoys today can be traced to the type of planning which marked the Woodbridge opening. At a period when there were no visible signs of an immediate break in the men's clothing shortage, the store planted a solid stake in the future by confining the Woodbridge opening-day sales to ex-servicemen.

Two months later the chain's second retail unit was added at Lodi, N. J., ten miles from Paterson. Soon branches sprang up in Orange, Conn., and Camden, N. J. Today, there are six stores, plus two factory lofts in Waterbury Conn., and Bethlehem, Pa.

These roadside stores, Quonset-hut in shape and design, stand as islands in 60 car capacity parking lots. Each offers a stock equalled in size and variety by only a few of the larger city establishments. More than 1,000 men's suits hang from racks. Shoppers also can choose from 500 pairs of slacks, 300 topcoats and overcoats, 250 sport jackets and 100 raincoats.

Getting there first with the most is an old axiom, but Jim Dale executives didn't close their planning books on that note. To bring attractive prices to their crossroads clientele, several economy features were introduced.

First, each store is located on a main arterial highway. This means a substantial overhead savings.

Second, the advantages of bulk buying are enjoyed. Third, the chain maintains a "No Alteration" policy, believing that the local tailor handles alterations cheaper.

Community spirit is an essential part of the operation, and neighborliness begins with the welcome mat in front of each store. The staffs are drawn from the area in which the store is located.

Advertising is devoted mainly to local newspapers and radio, but the firm's best advertising is free—simply one satisfied customer telling a friend or neighbor that here is the place to buy.

This word-of-mouth publicity has helped build the chain from one to six stores in two years. And it's proved that men's clothing has carved itself a spot on the highway next to the ice cream cone.

—RICHARD HAMILTON



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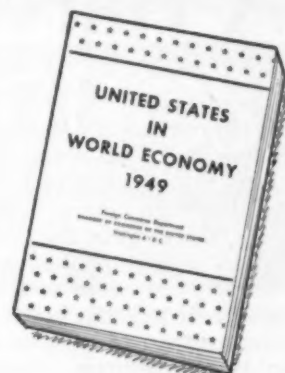
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A Harvest Reaped in Comics

SOME years ago an American museum expedition to West Africa decided to study native art and painting. Through interpreters the Americans were able to get the idea across to one local chieftain who promptly led them to a nearby hut and pointed to a highly colored drawing framed in split bamboo. As the expedition members drew closer, it dawned on them that the work of art was actually a full Sunday adventure of "Bringing Up Father" from a New York newspaper. But Jiggs wasn't the only masterpiece. Other huts had walls lined with "Popeye," "Snuffy Smith" and "Joe Palooka."

During the war the GI's in China and India were almost as surprised when they discovered that almost every purchase they made was wrapped in paper from the States.

SOLELY responsible for these far-flung manifestations of second-hand American culture are two elderly Britons, Austin and Vincent Bond. The Bonds have been reselling used newspapers ever since 1907 when a Bombay merchant called on them for a large shipment to use in place of the leaves and wastepaper Indian storekeepers were then using. For the next seven years the brothers watched their business grow. Then, when the British Government commandeered their Liverpool plant as a wartime measure, they came to the United States to try their luck.

Austin had heard that American business men were hardheaded. So, when he approached the Hearst organization for its overissued

newspapers, his mind was made up not to offer more than \$10 a ton. The deal took an unexpected turn when he discovered that the organization was adamantly refusing to give him more than \$800 a month to cart away the paper. Austin sealed the deal, exported the back issues for \$40 a ton.

"And here I was a slow Englishman," he recalls now with a smile. "Why in those 15 months we made more than \$150,000."

In 1924, H. R. Lutz, a British publisher, visited the U. S. for the first time and was impressed by the color and plenitude of Sunday comic sections—the like of which England never had. He made a deal with the Bonds to ship him a few tons of the discarded comic sections monthly. Thereupon, the Bonds hired some women to pull the sections out of the Sunday newspapers they bought from junk dealers.

Back in England, Lutz had a cover put around each comic section. Under the name *Atlas Illustrated Comics*, a section sold for six cents. Every batch was sold out within a week to youngsters and soon Lutz was taking all the used comic sections he could get. In peak years the Bonds used to ship about 250,000 sets every week. Today the sets sell for about 12 cents each, but, because of the dollar shortage, not as many sets are shipped.

Austin and Vincent were particularly happy about this development because the comic sections were useless for wrapping paper. Eastern bazaar merchants wouldn't use them for fear the color would come off on goods.

Once, by accident, a few comic sections were left in a shipment of used Sunday editions to a West African trading company. The native merchant who got the comic sections was about to throw them away when some children saw them. Thereafter, they insisted that their parents buy things only if they were wrapped in the gaudy colored paper.

IN TIME the natives in Liberia, the Belgian Congo and British West Africa would only take purchases that were wrapped in the comic sections and the Bonds had a new market. After the natives look at the comic pages—only ten per cent of them can read English—they smooth the sheets out and hang them on the clay walls of their huts, where they serve a dual purpose: decoration and insulation.

Before the war the Bonds did \$6,000,000 worth of business annually. But because of the international dollar shortage and import restrictions, it's down to a mere \$2,500,000 yearly volume now. From their New York and San Francisco offices the Bonds control all of the comic page export business and 90 per cent of the used newspaper export business. Austin Bond still finds time to get indignant whenever he hears someone use the expression, "As useless as last month's newspaper." His indignation vanishes, however, when he recalls that he and his brother have shipped more than \$50,000,000 of used American newspapers abroad. —MURRAY TEIGH BLOOM

Is the A-Bomb Secure?

(Continued from page 38)
academic freedom." He ordered his security department to abandon the investigation of fellowship applicants, and flatly refused to recognize the propriety of investigation.

Spot checks were run on about 20 of the 200 fellows selected in 1948. The check revealed several who belonged to subversive organizations.

But, the congressional suggestion that the other 180 fellows be investigated brought a refusal. The AEC resented the Senate Committee's intrusion.

But the arguments have not been solely between the Senate Committee and AEC.

Lillenthal and the military have argued for two years over custody of the atomic bombs. Manufacture of the bombs is clearly an AEC function; but when the fissionable material is ready for assembly into a bomb, why shouldn't the Air Force take custody? How can adequate Air Force personnel be trained to assemble and detonate the bomb if the Air Force has no bombs?

The training of weaponeers is

now a cooperative process; and there is considerable uneasiness about what is said to be a shortage of weaponeers. It is said that at Eniwetok last year, by dropping one TNT bomb the Russians could have killed all of our trained weaponeers, after which it might have been weeks before we could have used an atomic bomb.

We advertise that our expert "atom groups" of B-29s are now based in England. But they have no bombs. Instead, on the President's desk is a direct telephone wire, maintained by the Signal Corps, to Lillenthal. Should it be necessary to strike an aggressor, the President's first order must be to ask the Commission to open its cupboard and permit delivery of the weapons to the bombing crews.

Uneasiness is also felt over the Commission's dealings with foreign powers. We produce almost no uranium. We are dependent on the Belgians and the British for the basic ingredient of the bomb. At present more than 90 per cent of our uranium is supplied by a Belgian-British company in the Belgian Congo known as *Union Minières de Haut Katanga*.

All deals with this company are made in secret by representatives of the AEC and the State Department. Congress no longer has authority to review or approve such transactions. The British and Belgians are hard bargainers. We have secrets that they want.

The final dispute within the Congressional Committee is over actions taken by Sen. Brien McMahon, Democrat of Connecticut.

When, as the result of the Democratic victory in 1948, Senator McMahon replaced Senator Hickel as chairman of the Congressional Committee, Senator McMahon's first action was to displace the Committee's two veteran intelligence agents, thus abolishing the check-and-balance function of the Congressional Committee. For without its own machinery for checking and investigating, the Committee can't be a watchdog; it can only consider the reports given it by the Commission.

The AEC is thus left alone behind its curtain to decide how the bomb is to be managed and with whom our secrets are to be shared. The question now is—will the American public be content to let it stay there.



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By My Way

By R. L. DUFFUS



June, and other, brides

AS ANYBODY can see by reading the newspapers, a lot of people get married in June. Some commentators say that this is because June is a romantic month, but this is obviously not the case. People get married in June because they felt romantic in May, April, March or some earlier month. Still, they do seem to get married in June more than in other parts of the year, and this tends to give a seasonal character to those industries which sell things to people who are going to get married or have just been married. The wedding dress industry, the rice industry and the old shoe industry, for example. What I would like to suggest is that we stabilize the situation by getting young people to fall in love, and hence to get engaged and married at more regular intervals throughout the year. We would still have enough June brides to keep up the tradition. I am taking this matter up with the Department of Commerce.



Direct from nature

THE MONTH of March is the best time to make maple sugar (in Vermont and I suppose also in New York, Michigan and possibly Ohio) but scientists (including myself) have found that any month in the year is a good month in which to eat it. So June or July may find me lathering hot-cakes or Indian pudding (try that some day) with maple syrup. The other morning I was wondering how many gallons of sap it had taken to produce the amount of syrup I was consuming. My thoughts went back, out of the

prevailing warm weather, to a certain spring when my brother and I tapped one tree and carried the sap, bucket by bucket, half a mile to the kitchen, where we boiled it down. The end result of what would now be about \$11 worth of labor was one pint of syrup. Producers for the market do the work more efficiently now, and did even then, but I learned one lesson: things you get from Nature directly by your own efforts taste better than anything you can buy. But nobody need worry about me. I am out of the business now. I am too lazy to boil my own sap.

Something for nothing

I WASN'T taken in by the recent "pyramid club" craze, nor have I ever been involved in anything of the sort. Hence I suppose I can still go through the mails, if properly crated and stamped. But once I picked up a silver dollar on a mountain road in California, several miles from the nearest town, and it seems to me I enjoyed that dollar more than any other that ever came my way. We all like to get something for nothing. The emotion behind this is older than money. The cave man had it; if he came on a partially gnawed bone that some other cave man had dropped, and he couldn't locate that other cave man, he was as happy as a clam. (And this reminds me that some day I mean to investigate, and report on, the question: Are clams happy?)

Water to the elephant

I WISH I had a ticket to the circus, but I don't think anyone can sell me the kind of ticket I want. I want to sit in the seats that afford a boy's-eye view of what goes on. I want to laugh at the clowns as I did at the first clowns I ever looked at. I want to hold my breath when the trapeze artist does his flying leap, when the slack-wire walker does his somersault, when the lion tamer tames his lions. I

want to see an elephant as it actually is, ponderous with unspeakable romance. There is no ticket that will make this possible, and no spectacles I can put on through which I will see a circus as I used to long ago. It is not that I would care to be childish again, for the second time. I would just like to shake off some of the sophistication that the years bring. Part of human happiness, I am convinced, lies in keeping the capacity to wonder and admire. All of us can have a little of that, perhaps, and still not be undignified or foolish. I never carried water to an elephant, though I knew boys who did. I think I would like to if any circus proprietor has one that is thirsty. I'd pay for my ticket, too—money isn't everything.



The cave man and us

"WAS the cave man better off than we are?" Alfred E. Stacey, Jr., president of the American Society of Heating and Ventilating Engineers, asked and answered this question recently. Stacey admitted that the cave man had no mortgage, paid no taxes, bought no clothes, lived an outdoor life, wasn't hurried. But Stacey said, truly, that the cave man's cave wasn't heated or ventilated anywhere near as well as a modern house. I wouldn't be a cave man for anything. What I do hope is that society will some time evolve to a stage where we will have even more perfect ventilation and heating systems than we have now, and at the same time no taxes, no mortgages and little or no work to do. Onward and upward is, as ever, my motto.

Variety in cities

A FRIEND remarked that he thought the people of Philadelphia were more polite than the people of New York City. This set me to thinking about the differences in cities. I might agree with my friend, but add that the usual New Yorker is warm-hearted if he thinks you are in real trouble, and not just trying to get money away from him. In Chicago I have always been afraid of being shot or run over, but I find Chicagoans stimulating. In New Orleans a business man will

drop anything to go out and have a cup of coffee. San Franciscans are pugnacious but will break into tears if you praise their town—as you generally do. Strangers in Los Angeles ask you where you came from. In Detroit unnecessary walking is considered a heresy and a vice. In Washington, D. C., many people try to look as though their brief cases were crammed with restricted information. In the older parts of Boston pedestrians elbow automobiles off the street. All in all, this is quite a country we have here, and I haven't even mentioned the rural districts.

How to make money

A MAN I know said he had made quite a number of dollars in the stock market. I asked him how he did this and he explained that he bought his stocks when they were low and then sold them after they had gone up. I pass this information along for the benefit of those who wish to know how to make money in the stock market.

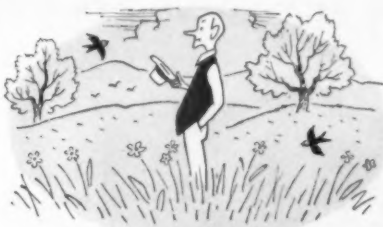
Still room enough

I WAS a little worried when I read that the Census Bureau predicted a population of 150,000,000 in the United States next year. Wouldn't we, I wondered, get in each other's way? But I have been doing a little arithmetic (not my strongest subject, but I believe I will get a passing grade this time) and even with that many people there will still be 13 acres for each of us, or 52 acres for a family of four. Since many of us live in cities and don't need that much I imagine there is still room for us to rattle around.

A wise ex-king

I DON'T believe ex-kings enjoy life much, as a rule. For that matter, I don't believe kings do, either. A king has a lot of dull chores to do, but on the other hand the band turns out every time he shows himself in public. An ex-king doesn't have the chores but he must miss the band. So I was glad to read that former King Amanullah of Afghanistan, who abdicated in 1929 after trying to impose what the "Encyclopaedia Britannica" calls "unpopular reforms," doesn't want to go back. Mr. Amanullah, as I suppose we should call him, has been living in Rome since 1930. A great deal has happened in Rome during those years, but it does not seem to have disturbed Mr. Amanullah. When asked by the

press whether he would care to accept an invitation to replace the present monarch, who in his turn has become unpopular, he replied, "I like it here." I hope he sticks to that position. It helps to make many of us, who have never been kings and never expect to be, more contented with our lot.



Birds of a feather

I KNOW a few birds, not exactly to speak to but by sight. I know the red-winged blackbird because he has red on his wings, the ovenbird because he says "Teacher," the song sparrow because he sings, the chipping sparrow because he chips, the Baltimore oriole because that is what he looks like. I know other birds, especially warblers, when someone points them out to me. I know a bird that sounds like a wheelbarrow in need of oiling, though I can't recollect his name at the moment. I could go on naming birds for some time, either out of my head or out of a big book I own on "The Birds of North America." But I don't suppose I would know any bird, by sight, if it didn't have feathers. Feathers are to a bird what clothes are to a woman—they differentiate that bird from other birds that are probably just about the same inside. Feathers are what makes birds flock together, and also what keeps them from flocking together. Feathers, I think, account for a good deal of snobbery among birds. Feathered songsters are no doubt just as temperamental as the unfeathered sort. But if they sing well I don't mind in either case.

The lure of kites

A YOUNG matron in Columbus, Ohio, distinguished herself this spring by sending a kite up a mile or so—and of course without going up a mile or so herself. I don't know whether or not she made the kite. I spent much time in my boyhood trying to make kites. I did everything the book said, measuring and balancing the sticks, pasting on pages from the Burlington (Vt.) *Free Press* and tying the tail, but I never did make a kite that would fly. Perhaps it was better so. Per-

haps an ambition unrealized is better than one carried out to the full. And I did have fun, on windy days, flying kites that other boys had made or acquired; and never thinking, as I watched them soar, that some time I, and countless others, would be sitting up in the air in big kites without strings, traveling at incredible speed across continents and oceans. It was a big enough thrill then to know that a thing I had just thrown up into the breeze, as I stood behind the Congregational Church, was actually floating, far away and far up, above Mr. Ainsworth's cow pasture.

Modern pioneers at work

WHEN a pioneer wanted a house he chopped down some trees, shaped them with an ax and saw (if he had a saw) and built himself one. If he had good neighbors and was himself a good neighbor he had help. In fact, the neighborhood put on a house-raising. I once heard of a modern house that was built in this fashion. The upper story was always a little peculiar because when the volunteer workers started there was a full cask of hard cider on the premises and before they had finished the cask was empty. My wife reported a happier spectacle not long ago. On her way to church on several late winter Sundays she passed a house that was being put together beside a country road—apparently by a group of city people using their week ends in this manner. Each Sunday it was a little nearer completion. A big coffee pot stood steaming over a fire. Children in red sweaters and mittens got under people's feet, as they always do under such circumstances; and some of them busied themselves with building a little house out of cinder blocks and boards. There were also plenty of dogs who helped by barking and carrying on. Everything, in short, was gay and neighborly. I don't suppose this sort of thing will solve the national housing problem, but my wife thought—and I agree—that it was wholesome and folksy.

The modern log cabin

FUTURE Presidents used to be born in log cabins if they could manage it. The temporary discomforts inseparable from such quarters were more than balanced by the political advantages later on. Nowadays they are more likely to utter their first feeble cries and make their first, as it were,



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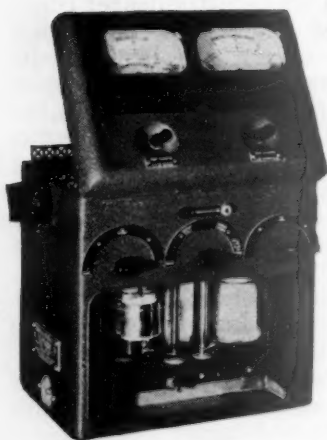
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speeches, in houses costing from \$12,500 up and equipped with electric lights, plumbing, central heating and mortgages. But the gap between the place of birth and the subsequent place of residence may be as wide as it ever was. The White House is being repaired at an estimated cost of \$5,400,000, or the equivalent of 432 \$12,500 houses. Its actual value must be several times the cost of the repairs—let us say four times. This makes it the equivalent of 1,728 \$12,500 houses. I would be willing to bet my Sunday-go-to-meeting hat that when the original White House was completed, a century and a half ago, it was no more than the equivalent, in labor and materials, of 1,728 log cabins. A prospective President today can therefore afford to be born in a \$12,500 house. But if he is wise there will be a hefty mortgage on it or he will lose a lot of votes.

This unjust world

EVERYBODY is pleased when the birds sing in spring. Nobody is pleased when a mosquito sings, then or later—except, possibly, other mosquitoes. Yet I imagine the mosquito is just as sincere, and does the best he can. This is unjust. And now pardon me while I get the Flit—and I don't mean to use it on a robin, either.

Green peas on the Fourth

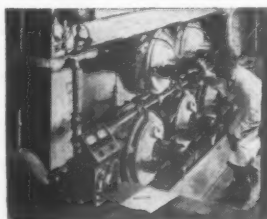
PEOPLE who had kitchen gardens in Vermont, long ago, used to figure they were doing well if they had green peas by the Fourth of July. One could go outdoors and blow a finger or two off with a fire-cracker and then come indoors and forget his troubles eating green peas. I suppose Vermonters can still do this, but they can also have green peas at Christmas, if they wish. And this must take off some of the thrill. It's the things you can't have that taste good when you finally get them. But don't misunderstand me. I can wolf down a few green peas at Christmastime, and like them.

A mouse crosses the street

A MOUSE appeared at a busy corner on Fenchurch Street, London, England, recently, and what then happened seemed to the London office of the Associated Press important enough to cable to New York. The mouse, in short, caught a policeman's eye, and, as the A. P. put it, "looked up appealingly." It wanted, like the hen in the old



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conundrum, to cross the road. The policeman stopped the traffic and it did. I believe a thing like this could have happened in Washington, too, if there had been room enough between the vehicles during a Washington rush hour for a mouse to get through, and anyhow a mouse could go under a car if it, the car, were not too low-slung. But I don't imagine a mouse could cross a Moscow street in that fashion. A Moscow policeman wouldn't be prepared for such an emergency because, say what you will, mice don't often ask traffic officers for assistance. A Moscow policeman would have referred the matter to his immediate superior, who would have referred it along up until it reached Mr. Stalin, and Mr. Stalin would have had to look the question up in the writings of Marx and Lenin, which maybe have no index, or at least no index with the word mouse in it. By the time the decision got back down the mouse would have been too old to cross the street, or it might inadvertently have confessed to something and been sent to Siberia. I suppose I shall be denounced as a capitalistic imperialist, but I'd rather be a mouse in London.



Ceilings on eloquence

A PART of our national budget this year will be \$2,274,500 to be spent on repairing the roofs of the Senate and House chambers. This job has been postponed for several years on account of the scarcity of materials to stand the strain of ascending oratory. We can afford it, I think. I am a believer in free speech, on and off the legislative floor, and if free speech injures roofs we will just have to have stronger roofs. But if Congress is really determined on economy I would like to suggest that members avoid long words, which tend to get wedged between the beams, sharp words that penetrate the plaster and, in general, that type of eloquence which rises like other gases and creates pressure. When the man in the chair asks for what purpose does the gentleman rise it would be nice to know that he does not rise to raise the roof.

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